PERRY
& Associates CPAs
PASSION Beyond the Numbers

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY

SINGLE AUDIT
FOR THE FISCAL 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
Groveport Madison Local School District
4400 Marketing Place, Suite B
Groveport, Ohio 43125

We have reviewed the *Independent Auditor's Report* of Groveport Madison Local School District, Franklin County, prepared by Perry & Associates, Certified Public Accountants, A.C., 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. Groveport Madison Local School District is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

March 22, 2023

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GROVEPORT MADISON LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO

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PERRY
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INDEPENDENT AUDITOR'S REPORT

Groveport Madison Local School District
Franklin County
4400 Marketing Place, Suite B
Groveport, Ohio 43125

To the Board of Education:

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 **Groveport Madison Local School District,** Franklin County, Ohio (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 Groverport Madison Local School District, Franklin County, Ohio as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the 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. Our responsibilities under those standards are further described in the *Auditor's 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.

Auditor's 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 auditor's 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 net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions 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 auditing standards generally accepted in the United States of America, 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 (CFR) 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 auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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 January 31, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 the District's internal control over financial reporting and compliance.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

January 31, 2023

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As management of the Groveport Madison Local School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $21.5 million, an increase of $9.2 million during the fiscal year.

- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $53.4 million, an increase of $4.7 million from the close of the prior fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

All activities of the District are accounted for as governmental activities. These activities include instruction, support services, non-instructional services, co-curricular activities, interest and fiscal charges, and issuance costs.

The reader will also need to consider non-financial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 25 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the other 24 governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds. Proprietary funds use the accrual basis of accounting; the same as on the entity-wide statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various funds. The District uses an internal service fund to account for health claims and premiums. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the governmental-wide financial statements.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by $21.5 million at the close of the current fiscal year.

A comparative analysis of fiscal year 2022 to 2021 follows for the Statement of Net Position:

Governmental Activities

	2022	Restated 2021	Percent Change
Current and Other Assets	$ 108,525,760	$ 100,164,447	8.3%
Capital Assets, Net	70,854,224	72,960,179	-2.9%
Total Assets	179,379,984	173,124,626	3.6%
Deferred Outflows of Resources	21,731,596	19,950,325	8.9%
Current Liabilities	11,081,155	10,369,194	6.9%
Long-term Liabilities			
Other Long-term Liabilities	47,694,657	49,157,411	-3.0%
Net Pension Liability	44,390,467	83,044,799	-46.5%
Net OPEB Liability	5,000,622	5,703,989	-12.3%
Total Liabilities	108,166,901	148,275,393	-27.0%
Deferred Inflows of Resources	71,400,125	32,412,901	120.3%
Net Investment in Capital Assets	29,265,435	28,729,128	1.9%
Restricted	10,929,301	9,499,051	15.1%
Unrestricted	(18,650,182)	(25,841,522)	27.8%
Total Net Position	$ 21,544,554	$ 12,386,657	73.9%

Current and Other Assets increased significantly in comparison with the prior fiscal year-end. This increase is primarily due to increases in cash and cash equivalents and investments, due to revenues in excess of expenses; payments in lieu of taxes receivable, due to an increase in revenue sharing for the year; and Net OPEB asset, due to the change in the District's OPEB proportionate share. Capital Assets, Net, decreased in comparison with the prior fiscal year-end. This decrease primarily represents current year depreciation on capital assets, which was partially offset by additions.

Current Liabilities increased due to an increase in accrued wages and benefits payable and amounts due to other governments. Other long-term Liabilities decreased due to scheduled principal payments. The net pension and net OPEB liabilities and related deferred outflows and inflows of resources all fluctuated significantly in comparison with the prior fiscal year-end. These fluctuations are primarily the result of changes in benefit terms, changes in actuarial assumptions, and greater than expected returns on pension plan investments.

A portion of the District's net position reflects its investment in capital assets (e.g. land, buildings, furniture and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors.

A comparative analysis of fiscal year 2022 to 2021 follows for the Changes in Net Position:

Governmental Activities

	2022	Restated 2021	Percent Change
Program Revenues			
Charges for Services	$ 1,175,324	$ 1,390,741	-15.5%
Operating Grants and Contributions	17,447,348	14,904,710	23.0%
Capital Grants and Contributions	890,711	-	100.0%
General Revenues			
Property Taxes	39,013,334	55,898,664	-30.2%
Payments in Lieu of Taxes	4,958,077	2,891,510	71.5%
Unrestricted Grants and Entitlements	36,408,314	45,925,750	-20.7%
Unrestricted Gifts and Donations	-	105,016	-100.0%
Sale of Assets	3,430	1,093	213.8%
Investment Earnings	(1,082,700)	69,178	-1665.1%
Miscellaneous	1,248,382	408,332	205.7%
Total Revenues	100,062,220	121,594,994	-17.7%
Program Expenses			
Instructional	45,804,537	59,658,012	-23.2%
Support Services	38,413,195	37,022,670	3.8%
Co-Curricular Activities	1,098,071	1,438,013	-23.6%
Non-instructional Services	3,943,530	3,505,988	12.5%
Interest and Fiscal Charges	1,644,990	1,684,719	-2.4%
Total Expenses	90,904,323	103,309,402	-12.0%
Change in Net Position	9,157,897	18,285,592	-49.9%
Net Position, Beginning of Fiscal Year	12,386,657	N/A	
Net Position, End of Fiscal Year	$ 21,544,554	$ 12,386,657	

Charges for services and sales decreased as a result of a reduction of athletics and food service revenues resulting from decreases in attendance at athletic events and in food sales as a consequence of the ongoing COVID-19 pandemic. Operating grants and contributions increased primarily due to the recognition of additional funding related to the ongoing COVID-19 pandemic. Property taxes decreased significantly due to the significant fluctuation of amounts available for advance between 2020, 2021, and 2022, which resulted in significantly lower property tax revenues reported for the current fiscal year. Unrestricted grants and entitlements decreased due to a decrease in state foundation funding. Investment earnings decreased significantly between years due to the economic downturn related to the ongoing pandemic. Miscellaneous revenue increased due to significant reimbursements of prior year expenditures from grant funds.

Total Expenses decreased significantly in comparison with the prior fiscal year due primarily to decreases in various costs related to the pension and OPEB expense as a result of benefit terms, changes in actuarial assumptions, and greater than expected returns on pension plan investments.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The table below reflects the costs of program services and the net cost of those services after taking into account program revenues. General revenues including tax revenue, unrestricted State entitlements and investment earnings must support the net cost of program services.

A comparative analysis of fiscal year 2022 to 2021 follows:

	Total Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2022	Net Cost of Services 2021
Program Expenses				
Instructional	$ 45,804,537	$ 59,658,012	$ 39,946,437	$ 52,978,206
Support Services	38,413,195	37,022,670	30,354,946	30,065,323
Non-instructional Services	3,943,530	3,505,988	(1,403,461)	973,615
Co-Curricular Activities	1,098,071	1,438,013	848,028	1,312,088
Interest and Fiscal Charges	1,644,990	1,684,719	1,644,990	1,684,719
Total	$ 90,904,323	$ 103,309,402	$ 71,390,940	$ 87,013,951

General revenues, consisting primarily of local property taxes and unrestricted state entitlements, comprise 75% of the District's total revenues. The net cost of services column highlights the District's reliance upon general revenues reflecting the need for $71.4 million in support.

The property tax laws in Ohio create the need to periodically seek voter approval for additional operating funds. Tax revenues generated from a levy do not increase as a result of inflation. An operating levy is approved for a fixed millage rate, but the rate is reduced for inflation with the effect of providing the District the same amount of tax dollars as originally approved. Therefore, school districts such as ours that are dependent upon property taxes as a primary source of revenue must periodically return to the ballot and ask voters for additional resources to maintain current programs. Since the District must rely heavily on voter approval of operating tax issues, management of the resources is of paramount concern to the District's administration and the voting public.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $53.4 million, an increase of $4.7 million from the prior fiscal year.

The schedule below indicates the fund balance and the total change in fund balance for June 30, 2022 and 2021.

	Fund Balance June 30, 2022	Fund Balance June 30, 2021	Change
General Fund	$ 43,471,675	$ 40,502,748	$ 2,968,927
Other Governmental Funds	9,977,459	8,251,227	1,726,232
Total	$ 53,449,134	$ 48,753,975	$ 4,695,159

General Fund

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance in the General Fund was $42.4 million, while total fund balance was $43.5 million.

A comparative analysis of fiscal year 2022 to 2021 General Fund revenues is as follows:

	Fiscal Year 2022	Fiscal Year 2021	Percent Change
Property Taxes	$ 35,631,664	$ 52,097,343	-31.6%
Payments in Lieu of Taxes	4,992,152	3,261,062	53.1%
Intergovernmental	36,342,523	45,769,592	-20.6%
Investment Income	(761,498)	31,177	-2542.5%
Tuition and Fees	1,297,165	1,142,149	13.6%
Charges for Services	-	43,072	-100.0%
Other	1,063,883	416,335	155.5%
Total	$ 78,565,889	$ 102,760,730	-23.5%

Property taxes decreased significantly due to the significant fluctuation of amounts available for advance between 2020, 2021, and 2022, which resulted in significantly lower property tax revenues reported for the current fiscal year. Intergovernmental revenue decreased due to a decrease in state foundation funding. Payments in lieu of taxes increased due to an increase in revenue sharing.

A comparative analysis of fiscal year 2022 to 2021 General Fund expenditures is as follows:

	Fiscal Year 2022	Fiscal Year 2021	Percent Change
Instruction	$ 44,373,866	$ 51,211,895	-13.4%
Support Services	29,388,673	25,187,055	16.7%
Non-instructional Services	63,573	16,059	295.9%
Co-curricular Activities	834,056	952,549	-12.4%
Capital Outlay	120,612	636,473	-81.0%
Total	$ 74,780,780	$ 78,004,031	-4.1%

Total Expenses decreased in comparison with the prior fiscal year. This decrease is primarily the result of decreases in employee salary and fringe benefit costs allocated to the General Fund as certain expenditures were considered allowable expenditures from grant funds during the COVID-19 pandemic.

General Fund Budget Information

The District's budget is prepared in accordance with Ohio law and is based on the budgetary basis of accounting, utilizing cash receipts and disbursements and encumbrances. Changes are made to the District's budget as changes in revenues and spending patterns are experienced.

The variances between the District's original and final estimated resources were significant, primarily due to fluctuations in estimated payments in lieu of taxes, foundation revenues, and investment income.

The variances between the District's original and final appropriation measures and final appropriation measure and actual budgetary expenditures were both significant. These variances are the result of conservative budgeting practices employed by the District.

Capital Assets

At fiscal year-end, the District had approximately $70.9 million in capital assets, net of accumulated depreciation, a $2.1 million decrease from the previous fiscal year. This decrease represents the amount by which current year depreciation ($3.2 million) and disposals ($0.5 million) exceeded capital outlays ($1.5 million). Detailed information regarding capital asset activity can be found in Note 9 to the basic financial statements.

Debt

At fiscal year-end, the District had $44.7 million in outstanding long-term bonds, notes and financed purchases, a decrease of $1.7 million in comparison with the prior fiscal year. This decrease represents the amount in which current year principal payments ($1.6 million) and amortization ($76,109) exceeded accretion ($32,661). Detailed information regarding general long-term obligations can be found in Note 10 to the basic financial statements.

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total taxable valuation of real and personal property. At fiscal year-end, the District's general obligation debt was below the legal limit.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to the Treasurer's Office, Groveport Madison Local School District, 4400 Marketing Place, Suite B, Groveport, Ohio 43125.

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY

STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

	Governmental Activities
Assets:	
Cash and Cash Equivalents	$ 41,989,723
Investments	10,928,122
Property Taxes Receivable	41,871,550
Payments in Lieu of Taxes Receivable	2,865,197
Accounts Receivable	29,354
Interest Receivable	46,144
Due From Other Governments	5,007,531
Inventory Held for Resale	40,825
Materials and Supplies Inventory	15,833
Net OPEB Asset	5,731,481
Nondepreciable Capital Assets	1,680,200
Depreciable Capital Assets, Net	69,174,024
Total Assets	179,379,984
Deferred Outflows of Resources:	
Deferred Amount on Refunding	792,182
Pension	18,755,950
OPEB	2,183,464
Total Deferred Inflows of Resources	21,731,596
Liabilities:	
Accounts Payable	975,691
Accrued Wages and Benefits Payable	7,392,390
Due To Other Governments	1,360,531
Accrued Interest Payable	349,035
Claims Payable	942,000
Contracts Payable	61,508
Long-Term Liabilities:	
Due Within One Year	1,898,382
Due in More Than One Year	
Other Amounts Due in More Than One Year	45,796,275
Net Pension Liability	44,390,467
Net OPEB Liability	5,000,622
Total Liabilities	108,166,901
Deferred Inflows of Resources:	
Property and Other Local Taxes	26,191,815
Pension	35,515,642
OPEB	9,692,668
Total Deferred Inflows of Resources	71,400,125
Net Position:	
Net Investment in Capital Assets	29,265,435
Restricted:	
Food Services	1,624,224
Permanent Improvements	2,373,428
Capital Projects	2,964,355
Scholarships	104,641
Student Activities	103,920
Co-Curricular Activities	132,518
Locally Funded Programs	22,191
State Funded Programs	883
Federally Funded Programs	949,027
Debt Service	1,751,151
Classroom Facilities Maintenance	902,963
Unrestricted	(18,650,182)
Total Net Position	$ 21,544,554

See accompanying notes to the basic financial statements.

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction					
Regular	$ 28,380,610	$ 559,755	$ 2,052,715	$ -	$ (25,768,140)
Special	16,064,644	306,896	2,106,814	-	(13,650,934)
Vocational	627,196	12,348	21,504	-	(593,344)
Student Intervention	249,208	4,395	243,427	-	(1,386)
Other	482,879	9,291	540,955	-	67,367
Support Services					
Pupils	6,675,590	-	1,513,406	-	(5,162,184)
Instructional Staff	3,017,146	-	1,578,231	-	(1,438,915)
Board of Education	786,638	-	-	-	(786,638)
Administration	6,599,635	22,552	1,071,177	-	(5,505,906)
Fiscal	1,283,087	-	-	-	(1,283,087)
Business	36,899	-	-	-	(36,899)
Operation and Maintenance of Plant	11,909,385	-	2,232,405	890,711	(8,786,269)
Pupil Transportation	6,500,016	-	731,767	-	(5,768,249)
Central	1,604,799	-	18,000	-	(1,586,799)
Non-instructional Services	3,943,530	39,851	5,307,140	-	1,403,461
Co-Curricular Activities	1,098,071	220,236	29,807	-	(848,028)
Interest and Fiscal Charges	1,644,990	-	-	-	(1,644,990)
Total Governmental Activities	$ 90,904,323	$ 1,175,324	$ 17,447,348	$ 890,711	(71,390,940)
General Revenues:					
Property Taxes Levied for:					
General Purposes					36,021,419
Bond Retirement					2,106,553
Permanent Improvements					885,362
Payments in Lieu of Taxes					4,958,077
Unrestricted Grants and Entitlements					36,408,314
Sale of Assets					3,430
Investment Earnings					(1,082,700)
Miscellaneous					1,248,382
Total General Revenues					80,548,837
Change in Net Position					9,157,897
Net Position Beginning of Fiscal Year-Restated					12,386,657
Net Position End of Fiscal Year					$ 21,544,554

See accompanying notes to the basic financial statements.

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets:			
Cash and Cash Equivalents	$ 31,418,191	$ 9,078,907	$ 40,497,098
Investments	2,762,181	470,630	3,232,811
Receivables:			
Property Taxes	39,613,090	2,258,460	41,871,550
Payments in Lieu of Taxes	2,865,197	-	2,865,197
Accounts	28,985	369	29,354
Interest	30,106	40	30,146
Due From Other Governments	15,942	4,991,589	5,007,531
Interfund Receivable	2,110,989	-	2,110,989
Inventory Held for Resale	-	40,825	40,825
Materials and Supplies Inventory	15,833	-	15,833
Total Assets	$ 78,860,514	$ 16,840,820	$ 95,701,334
Liabilities:			
Current Liablilities:			
Accounts Payable	$ 399,332	$ 570,813	$ 970,145
Accrued Wages and Benefits Payable	6,663,626	728,764	7,392,390
Due to Other Governments	1,208,931	151,600	1,360,531
Compensated Absences Payable	11,324	-	11,324
Interfund Payable	-	2,110,989	2,110,989
Contracts Payable	-	61,508	61,508
Total Liabilities	8,283,213	3,623,674	11,906,887
Deferred Inflows of Resources:			
Unavailable Revenue	2,231,179	1,922,319	4,153,498
Property and Other Local Taxes	24,874,447	1,317,368	26,191,815
Total Deferred Inflows of Resources	27,105,626	3,239,687	30,345,313
Fund Balances:			
Nonspendable:			
Inventory	15,833	-	15,833
Restricted:			
Food Services	-	1,624,224	1,624,224
Permanent Improvements	-	2,346,184	2,346,184
Capital Projects	-	3,228,543	3,228,543
Scholarships	-	104,641	104,641
Student Activities	-	103,920	103,920
Co-Curricular Activities	-	132,518	132,518
Locally Funded Programs	-	22,191	22,191
State Funded Programs	-	883	883
Federally Funded Programs	-	15,272	15,272
Debt Service	-	1,699,482	1,699,482
Classroom Facilities Maintenance	-	902,923	902,923
Committed:			
Severance	602,814	-	602,814
Assigned:			
Public School Support	121,465	-	121,465
Instructional Services	10,660	-	10,660
Support Services	226,207	-	226,207
Capital Outlay	66,150	-	66,150
Unassigned	42,428,546	(203,322)	42,225,224
Total Fund Balances	43,471,675	9,977,459	53,449,134
Total Liabilites, Deferred Inflows of Resources and Fund Balances	$ 78,860,514	$ 16,840,820	$ 95,701,334

See accompanying notes to the basic financial statements.

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
AS OF JUNE 30, 2022

Total Governmental Fund Balances	$ 53,449,134
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	70,854,224
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	
Property Taxes Receivable	1,463,027
Payments in Lieu of Taxes Receivable	827,910
Intergovernmental Receivable	1,843,366
Accrued Interest Receivable	19,195
An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	8,256,388
The net OPEB asset, net OPEB liability and net pension liability are not due and payable in the current period; therefore, the asset and liabilities and related deferred inflows/outflows are not reported in governmental funds:	
Deferred Outflows - Pension	18,755,950
Deferred Outflows - OPEB	2,183,464
Deferred Inflows - Pension	(35,515,642)
Deferred Inflows - OPEB	(9,692,668)
Net Pension Liability	(44,390,467)
Net OPEB Asset	5,731,481
Net OPEB Liability	(5,000,622)
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds Payable	(31,259,732)
Unamortized Bond Premium	(1,557,088)
Various Purpose Note	(2,281,000)
Deferred Amount on Refunding	792,182
Certificates of Participation	(9,442,554)
Accumulated Accretion	(118,456)
Accrued Interest Payable	(349,035)
Compensated Absences	(3,024,503)
Net Position of Governmental Activities	$ 21,544,554

See accompanying notes to the basic financial statements.

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property Taxes	$ 35,631,664	$ 2,996,437	$ 38,628,101
Payments in Lieu of Taxes	4,992,152	-	4,992,152
Intergovernmental	36,342,523	18,792,385	55,134,908
Investment Income	(761,498)	(15,666)	(777,164)
Co-Curricular Activities	22,597	220,191	242,788
Tuition and Fees	1,297,165	3,546	1,300,711
Charges for Services	-	39,851	39,851
Rent	18,578	-	18,578
Donations	10,810	55,807	66,617
Other	1,011,898	291,033	1,302,931
Total Revenues	78,565,889	22,383,584	100,949,473
Expenditures:			
Current:			
Instruction:			
Regular	28,622,910	2,059,721	30,682,631
Special	15,059,671	2,340,201	17,399,872
Vocational	679,130	20,941	700,071
Student Intervention	12,155	237,053	249,208
Other	-	526,791	526,791
Support services:			
Pupils	5,530,858	1,566,658	7,097,516
Instructional Staff	1,582,600	1,566,800	3,149,400
Board of Education	808,712	-	808,712
School Administration	6,070,385	1,036,780	7,107,165
Fiscal Services	1,400,329	50,107	1,450,436
Business Operations	34,550	-	34,550
Operation and Maintenance of Plant	6,353,263	3,166,579	9,519,842
Pupil Transportation	5,794,809	705,207	6,500,016
Central Services	1,813,167	18,000	1,831,167
Non-instructional Services	63,573	4,089,396	4,152,969
Co-Curricular Activities	834,056	304,173	1,138,229
Capital Outlay	120,612	505,295	625,907
Debt service:			
Principal Retirement	-	1,624,000	1,624,000
Interest and Fiscal Charges	-	1,659,262	1,659,262
Total Expenditures	74,780,780	21,476,964	96,257,744
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,785,109	906,620	4,691,729
Other Financing Sources/(Uses):			
Sale of Capital Assets	3,430	-	3,430
Transfers In	-	1,288,493	1,288,493
Transfers Out	(819,612)	(468,881)	(1,288,493)
Total Other Financing Sources/(Uses)	(816,182)	819,612	3,430
Net Change in Fund Balances	2,968,927	1,726,232	4,695,159
Fund Balance Beginning of Fiscal Year	40,502,748	8,251,227	48,753,975
Fund Balance End of Fiscal Year	$ 43,471,675	$ 9,977,459	$ 53,449,134

See accompanying notes to the basic financial statements.

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY

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

Net Change in Fund Balances - Total Governmental Funds	$ 4,695,159
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital Outlay	1,515,262
Depreciation	(3,166,961)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations).	
Disposals	(454,256)
Internal service funds are used by management to charge costs of the employer share of payroll related costs and self insurance to individual funds. The expenditures of the internal service funds are included in governmental activities in the statement of net position.	(852,086)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property Taxes	385,233
Payments in Lieu of Taxes	(34,075)
Intergovernmental Revenues	(936,305)
Other Revenues	(77)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred	6,673,267
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(414,520)
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB asset and net OPEB liability are reported as OPEB expense in the statement of activities.	339,870
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Principal Repayments	1,624,000
Amortization of Premium and Discount and Deferred Amount on Refunding	40,901
Capital Appreciation Bond Accretion	(32,661)
Accrued Interest Payable	6,032
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the	
Compensated Absences	(230,886)
Change in Net Position of Governmental Activities	$ 9,157,897

See accompanying notes to the basic financial statements.

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance Over/(Under)
Revenues:				
Property Taxes	$ 38,159,693	$ 38,324,426	$ 38,324,426	$ -
Payments in Lieu of Taxes	3,000,000	4,449,644	4,942,413	492,769
Intergovernmental	46,925,396	37,182,346	36,343,555	(838,791)
Investment Income	220,000	220,000	149,369	(70,631)
Co-Curricular Activities	35	45	45	-
Tuition and Fees	1,145,178	1,303,062	1,297,264	(5,798)
Rent	4,184	17,205	18,578	1,373
Donations	75,000	75,000	2,000	(73,000)
Other	245,268	801,961	950,964	149,003
Total Revenues	89,774,754	82,373,689	82,028,614	(345,075)
Expenditures:				
Current:				
Instruction:				
Regular	27,931,201	29,405,270	28,471,212	934,058
Special	13,324,388	14,646,608	14,568,673	77,935
Vocational	588,103	696,611	658,640	37,971
Student Intervention	3,500	15,655	12,155	3,500
Other	101,528	-	-	-
Support services:				
Pupils	5,933,258	5,132,431	5,084,515	47,916
Instructional Staff	2,528,678	1,710,315	1,549,644	160,671
Board of Education	534,783	770,361	730,492	39,869
School Administration	6,023,697	6,088,462	5,996,701	91,761
Fiscal Services	2,176,523	1,904,341	1,444,629	459,712
Business Operations	-	19,509	18,208	1,301
Operation and Maintenance of Plant	6,250,455	7,010,778	6,545,081	465,697
Pupil Transportation	5,206,824	6,043,212	5,792,515	250,697
Central Services	1,799,747	1,885,126	1,815,135	69,991
Non-instructional Services	11,000	84,073	63,573	20,500
Co-Curricular Activities	1,127,857	873,028	819,219	53,809
Capital Outlay	755,044	561,394	344,670	216,724
Total Expenditures	74,296,586	76,847,174	73,915,062	2,932,112
Excess of Revenues Over (Under) Expenditures	15,478,168	5,526,515	8,113,552	2,587,037
Other Financing Sources (Uses):				
Sale of Capital Assets	17,463	7,928	3,430	(4,498)
Transfers In	60,000	60,000	-	(60,000)
Transfers Out	(1,242,861)	(2,567,424)	(1,283,712)	1,283,712
Advances In	392,513	785,027	392,513	(392,514)
Advances Out	(7,430)	(7,430)	(7,430)	-
Total Other Financing Sources (Uses)	(780,315)	(1,721,899)	(895,199)	826,700
Net Change in Fund Balance	14,697,853	3,804,616	7,218,353	3,413,737
Fund Balances at Beginning of Fiscal Year-Restated	26,849,109	26,849,109	26,849,109	-
Prior Year Encumbrances Appropriated	1,490,847	1,490,847	1,490,847	-
Fund Balances at End of Fiscal Year	$ 43,037,809	$ 32,144,572	$ 35,558,309	$ 3,413,737

See accompanying notes to the basic financial statements.

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY

STATEMENT OF NET POSITION
PROPRIETARY FUND
AS OF JUNE 30, 2022

	Governmental Activities - Internal Service Fund
Current Assets:	
Cash and Cash Equivalents	$ 1,492,625
Investments	7,695,311
Receivables:	
Accrued Interest	15,998
Total Current Assets	9,203,934
Total Assets	9,203,934
Current Liabilities:	
Accounts Payable	5,546
Claims Payable	942,000
Total Current Liabilities	947,546
Total Liabilities	947,546
Net Position:	
Unrestricted	8,256,388
Total Net Position	$ 8,256,388

See accompanying notes to the basic financial statements.

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Fund
Operating Revenues:	
Charges for Services	$ 12,885,479
Other	4,606
Total Operating Revenues	12,890,085
Operating Expenses:	
Purchased Services	863,056
Claims	12,542,727
Other	30,929
Total Operating Expenses	13,436,712
Operating Loss	(546,627)
Non-Operating Revenues:	
Investment Earnings	(305,459)
Total Non-Operating Revenues	(305,459)
Change in Fund Net Position	(852,086)
Net Position Beginning of Fiscal Year	9,108,474
Net Position End of Fiscal Year	$ 8,256,388

See accompanying notes to the basic financial statements.

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities:	
Cash Received from Charges for Services	$ 12,885,479
Cash Payments for Contract Services	(857,510)
Cash Payments for Claims	(12,126,727)
Cash Payments for Other	(30,929)
Net Cash Used by Operating Activities	(125,081)
Cash Flows from Investing Activities:	
Purchase of Investments	(3,063,000)
Interest on Investments	41,252
Net Cash Used by Investing Activities	(3,021,748)
Net Decrease in Cash and Cash Equivalents	(3,146,829)
Cash and Cash Equivalents at Beginning of Fiscal Year	4,639,454
Cash and Cash Equivalents at End of Fiscal Year	$ 1,492,625
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	$ (546,627)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Changes in Assets and Liabilities:	
Claims Payable	416,000
Accounts Payable	5,546
Net Cash Used by Operating Activities	$ (125,081)

See accompanying notes to the basic financial statements.

NOTE 1 – REPORTING ENTITY

The Groveport Madison Local School District (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District operates under a locally elected five-member Board form of government consisting of five members elected at-large staggered four year terms. The first official body designated as the Groveport Madison Board of Education was formed in 1848. The District provides educational services as authorized by state and/or federal guidelines.

The Board controls the District's 11 instructional/support facilities staffed by non-certificated and certificated personnel who provide services to 5,874 students and other community members.

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 of the District consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District. The following activities are included within the reporting entity:

> *Parochial Schools* – Within the District Boundaries are Madison Christian and Brice Christian Academy. Current State legislation provides funding to these parochial schools. The monies are received and disbursed on behalf of the parochial schools by the Treasurer of the District, as directed by the parochial schools. The District accounts for these activities in a special revenue fund for financial reporting purposes.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. The District had no component units for the fiscal year ended June 30, 2022.

The following entities which perform activities within the District boundaries for the benefit of its residents are excluded from the accompanying financial statements because the District is not financially accountable for these entities nor are they fiscally dependent on the District.

> *Parent Teacher Association* – The District is not involved in the budgeting or management is not responsible for any debt and has no influence over the organization.
>
> *Groveport Community School* – The community school began operations in September 2006 and is affiliated with Imagine Schools, a national operator of nonprofit public charter schools. The District is not involved in the budgeting or management of the community school and is not responsible for any debt nor has influence over the community school's operations.

Jointly Governed Organizations

Metropolitan Educational Technology Association – The Metropolitan Educational Technology Association (META), is a jointly governed organization. The organization is composed of over one hundred members including school districts, joint vocational schools, educational service centers, and libraries covering 57 counties in Ohio.

NOTE 1 – REPORTING ENTITY (Continued)

The META helps its members purchase services, insurances, supplies, and other items at a discounted rate. META also provides a variety of services through its data processing center to numerous member districts ("C" sites) around the State of Ohio, with the major emphasis being placed on fiscal services. META also provides services to the District including pupil scheduling, attendance reporting, and grade reporting. The governing board of META is composed of either the superintendent, a designated representative or a member of the board of education for each participating school district in Franklin County (18 school districts) and one representative from each county. META is not dependent upon the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for META. Financial statements for META can be obtained at 2100 City Gate Drive, Columbus, Ohio 43219. The amount paid to META during the fiscal year was $127,084.

Eastland-Fairfield Career & Technical Schools – The Eastland-Fairfield Career & Technical Schools 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 participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Eastland-Fairfield Career & Technical Schools, Dawn Lemley, who serves as Treasurer, at 4300 Amalgamated Place, P.O. Box 419, Groveport, Ohio 43125-0419. The amount paid to Eastland-Fairfield Career & Technical Schools during the fiscal year was $7,000.

Ohio School Plan – The District participates in the Ohio School Plan (Plan), a joint self-insurance pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a thirteen member board consisting of superintendents, treasurers, and school board members. Hylant Administrative Services, LLC (Hylant) is the Plan's administrator and is responsible for underwriting, claim management, risk management, accounting, system support services, sales, and marketing for the Plan. Financial information can be obtained from Hylant 811 Madison Avenue, Toledo, Ohio 43604.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Fund Accounting

The District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific District functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

Major Governmental Funds

General Fund — The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Governmental Funds — The other governmental funds account for food services, co-curricular activities, federal and state grants, and other resources whose use is restricted for a particular purpose.

Proprietary Funds

Internal Service Funds – Funds provided to account for money received from other funds as payment for providing medical and prescription insurance. Payments are made to a third-party administrator for claims payments, claims administration and stop-loss coverage.

Fiduciary Funds

Fiduciary Funds — Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District has no fiduciary funds.

(b) Basis of Presentation

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation.

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type, however the District has no fiduciary funds.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus.

With this measurement focus, only current assets and current liabilities and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e.,

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the operation of this fund are included on the statement of net position. The statement of changes in net position presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position. The statement of cash flows provides information about how the District finances and meets cash flow needs of its proprietary activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's internal service fund are charges for services. Operating expenses for the internal service fund include claims and purchased service expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(c) Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The fund financial statements are prepared using the modified accrual for governmental funds and the accrual basis for proprietary funds.

Revenue Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period of the District is sixty days after fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, payments in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which the taxes are levied, provided they have been advanced or are available to be advanced to the District. Otherwise, they are reported as a deferred inflow of resources. Revenue from payments in lieu of taxes, grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, payments in lieu of taxes, tuition, grants and student fees. Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have not yet been met because such amounts have not yet been earned.

Deferred Outflows/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 (expenses/expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

of net position for pensions, other postemployment benefits (OPEB), and deferred charges on refundings. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the refunded or refunding debt.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. For the 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 of resources on both the government-wide statement of net position and the governmental funds balance sheet. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. Unavailable revenue includes delinquent property taxes. 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 12 and 13).

Expenditures/Expenses

On the accrual basis of accounting, expenses are recorded at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the statement of revenues, expenditures changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue. Unused donated commodities are reported as intergovernmental revenue. The measurement focus of governmental fund accounting is on the flow of current financial resources. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred except for (1) principal and interest on general long-term debt, which is recorded when due, and (2) the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation, are not recognized in governmental funds.

(d) Budgetary Process

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 appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates.

The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of budgetary control selected by the Board is at the fund level. Any budgetary modifications at this level may only be made by the Board of Education.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(e) Cash and Investments

Monies received by the District are pooled in a central bank account, except for certain construction-related funds, with individual fund balance integrity retained throughout. During the fiscal year, investments consisted of STAR Ohio, money market mutual funds, commercial paper, negotiable certificates of deposit, municipal bonds, federal government securities, and federal agency securities.

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

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of investment earnings. Investment earnings credited to the General Fund during the fiscal year amounted to $191,576. Other governmental funds and the Internal Service fund were credited $14,208 and $52,474, respectively. In addition to investment earning credits, the District also experienced decreases in fair value of investments in the amounts of $953,074 for the General Fund, $29,874 for the other governmental funds, and $357,933 for the Internal Service Fund.

(f) Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the fiscal year which services are consumed.

(g) Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market and donated commodities are presented at fair value. Inventories are recorded on a first-in, first-out basis and are expensed when used. On fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditure when purchased. Inventories of governmental funds consist of donated and purchased food held for resale and materials and supplies inventory.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Capital Assets and Depreciation

General capital assets are reported in 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 fiscal year. Capital assets acquired before July 1, 2003 are capitalized at an estimated cost using computerized reverse-trending techniques applied against the estimate of current replacement cost. Donated capital assets are recorded at their acquisition values as of the date received.

The District follows the policy of not capitalizing assets with a cost of less than $5,000 and a useful life of less than one year. The District does not possess any infrastructure.

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

Land Improvements	10 – 40
Buildings and Improvements	10 – 40
Furniture and Equipment	5 – 15
Vehicles	5 – 10

(i) Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditure/expenses in the purchaser funds.

Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. These transfers are eliminated from the statement of activities.

On fund financial statements, short-term interfund loans are classified as due to/from other funds. These amounts are eliminated in the statement of net position.

(j) Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The District’s restricted assets balance at fiscal year-end was zero.

(k) Accrued Liabilities and Long-Term Obligations

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed in the fiscal year of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(l) Compensated Absences

Vacation benefits and personal leave 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 District will compensate the employees for benefits through paid time off or some other means. The District records a liability for accumulated unused vacation and personal leave time when earned for all employees.

Compensated absence 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 District has identified as probable of receiving payment in the future. The amount is based on the accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the District's termination policy. The District records a liability for accumulated unused sick leave for all employees after 15 years of service.

The entire sick leave benefit liability is reported on the government-wide financial statements.

On the governmental fund financial statements, sick leave benefits are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the funds from which these payments will be made.

The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the District's termination policy.

(m) Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB asset, net OPEB liability, net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Net Position

Net Position represent the difference between assets and deferred outflows of resources and 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 their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. At fiscal year-end, none of the District's net position restrictions were the result of enabling legislation.

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

(o) Fund Balance

GASB Statement No. 54, *Fund Balance Reporting* became effective for years beginning after June 15, 2010. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

In accordance with this guidance, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The District may use the following categories:

Nonspendable - resources that are not in a spendable form (materials and supplies inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted - resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that can be used for the specified purposes imposed by a formal action (resolution) of the District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same action (resolution) it employed to previously commit those amounts.

Assigned - resources that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Although no specific resolution has been made, the District Board of Education authorizes the Treasurer to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Unassigned - residual fund balance within the General Fund not classified elsewhere above and all other governmental fund balances which have a negative fund balance.

The District applies restricted resources first when an expenditure is incurred for purposes which both restricted and unrestricted fund balance are available. The District considers committed, assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the District and that are either unusual in nature or infrequent in occurrence. There were no extraordinary events or special items that occurred during the fiscal year.

(q) Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reported period. Actual results could differ from those estimates.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations, and changes in fund balances in accordance with 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 Balances - Budget and Actual (Non-GAAP Basis) – for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis 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 liability is incurred (GAAP basis).

3. Encumbrances are treated as expenditures (budget basis) rather than an assignment of fund balance (GAAP basis).

4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

5. Due to the implementation of GASB 54, some funds were reclassified to the General Fund. These funds are not required to be included in the General Fund Budgetary Statement. Therefore, the activity from these funds is excluded with an adjustment for their change in fund balance.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING (Continued)

Net Change in Fund Balance

GAAP Basis	$	2,968,927
Revenues		3,527,179
Expenditures		1,012,652
Other Sources and Uses		270,983
Encumbrances		(443,867)
Fund Reclassifications:		
Severance Fund		(142,062)
Public Support Fund		24,541
Budgetary Basis	$	7,218,353

NOTE 4 – DEPOSITS AND INVESTMENTS

The deposit and investment of the District's monies is governed by the provisions of the Ohio Revised Code (ORC). In accordance with these statutes, the District is authorized to invest in United States and State of Ohio bonds, notes, and other obligations; bank certificates of deposit; banker acceptances; commercial paper notes rated prime and issued by United States corporations; repurchase agreements secured by United States obligations; STAR Ohio; no-load money market mutual funds; and under limited circumstances, corporate debt interests. Earnings on investments are credited to various funds at the discretion of the Board which is in compliance with ORC Section 3315.01.

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

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

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Deposits

Deposits - Custodial credit risk for deposits is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, the carrying amount of the District's deposits was $2,695,147 and the bank balance was $3,630,463.

Of the District's bank balance, $994,320 was covered by the Federal Depository Insurance Corporation (FDIC), $1,482,747 was collateralized through the Ohio Pooled Collateral system and the remaining balance was uninsured and uncollateralized. The District has no formal policy concerning custodial credit risk. The District's financial institution was approved for a collateral rate of 50 percent through the Ohio Pooled Collateral System.

Ohio law requires that deposits either be insured or be protected by:

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

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

Investments

At fiscal year end, the District had the following investments:

			Investment Maturities		
Investment Type	Measurement Amount	Percent of Total	Within 1 Year	1 to 3 Years	3 to 5 Years
Money Market Funds	$ 2,215,751	4.4%	$ 2,215,751	$ -	$ -
STAR Ohio	14,794,663	29.5%	14,794,663	-	-
Commercial Paper	6,459,878	12.9%	6,459,878	-	-
Negotiable CDs	5,955,383	11.9%	1,720,880	3,552,547	681,956
Municipal Bonds	2,315,269	4.6%	1,698,495	616,774	-
FNMA	928,710	1.8%	-	-	928,710
FFCB	3,401,955	6.8%	1,949,900	1,452,055	-
FHLB	10,718,884	21.3%	490,845	2,899,667	7,328,372
US Treasury Note	3,432,205	6.8%	1,504,585	1,927,620	-
Total	$ 50,222,698	100.0%	$ 30,834,997	$ 10,448,663	$ 8,939,038

In accordance with GASB Statement No. 79, the District's investment in STAR Ohio is reported at amortized cost. For the fiscal year ended June 30, 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice is appreciated for all deposits and withdrawals of $250 million or more. STAR Ohio reserves the right to limit the transaction to $250 million.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

All other investments are reported at fair value. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District reports its money market investment as a level 1 input and all other District investments as Level 2 inputs. The weighted average maturity of the portfolio held by STAR Ohio as of June 30, 2022, is 35 days.

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations. At fiscal year-end, STAR Ohio and money market funds were rated AAAm, while the federal government securities and federal agency securities were rated AA+ by Standard & Poor's and Aaa by Moody's. The District held six municipal bonds, one was rated Aaa and two were rated Aa2 by Moody's and the other three were unrated. Ratings for the District's commercial paper were not available. The District's negotiable certificates of deposit were unrated. The District has no formal policy concerning credit risk.

Concentration of Credit Risk – Concentration of credit risk is the risk of inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification. The District places no limit on the amount it may invest in any one issuer, however, state statute limits investments in commercial paper and bankers' acceptances to 25% of the interim monies available for investment at any one time. The District's exposure to concentration risk is noted in the preceding table.

Interest Rate Risk – Interest rate risk is the risk that an interest rate change could adversely affect an investment's fair value. As a means of limiting its exposure to fair value losses arising from interest rates and according to state law, the District's investment policy limits investment portfolio maturities to five years or less. The District's exposure to interest rate risk is noted in the preceding table.

The following is a reconciliation of deposits and investments to the Statement of Net Position as of June 30, 2022:

Investments (summarized above)	$	50,222,698
Carrying Amount of District's Deposits		2,695,147
Total Deposits and Investments per Note Disclosure	$	52,917,845
Governmental Activities - Cash and Cash Equivalents	$	41,989,723
Governmental Activities - Investments		10,928,122
Total Deposits and Investments per Financial Statements	$	52,917,845

NOTE 5 – PROPERTY TAXES

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

NOTE 5 – PROPERTY TAXES (Continued)

Property taxes include amounts levied against all real and public utility located in the school district. Real property tax revenue received in calendar year 2022 represents collections of calendar year 2021 taxes. Real property taxes received in calendar year 2022 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 semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2022 represents collections of calendar year 2021 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 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; public utility tangible personal property is currently assessed at varying percentages of true value.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of fiscal year-end 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 District receives its property taxes from Franklin County. The County Auditor periodically advances to the District its portion of 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. At fiscal year-end, the amount of property taxes that had been advanced, or was available to advance, to the General Fund, Bond Retirement Fund and Permanent Improvement Fund was $15,122,526, $564,522, and $297,657, respectively. 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 inflows of resources.

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

	2021 Second Half Collections		2022 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residental and Other Real Estate	$ 1,050,133,820	92.8%	$ 1,071,527,510	92.5%
Public Utility Personal	81,140,520	7.2%	86,716,160	7.5%
Total	$ 1,131,274,340	100.0%	$ 1,158,243,670	100.0%
Tax rate per $1,000 of assessed valuation	$ 63.48		$ 62.86	

NOTE 6 - TAX ABATEMENTS

Under Community Reinvestment Area (CRA) and other property tax abatements entered into by the Village of Obetz, City of Groveport, and the City of Columbus, the District's property tax revenues were reduced by $3,364,727, $6,971,292 and $34,451 during the fiscal year, respectively. During the fiscal year, the District received $1,205,681 and $450,137 from the City of Groveport and Village of Obetz, respectively.

NOTE 7 – RECEIVABLES

Receivables at June 30, 2022, consisted of property taxes, payments in lieu of taxes, intergovernmental (due from other governments), interest, and accounts. 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. All receivable amounts are expected to be received within one year with the exception of the Ohio Facilities Construction Commission Grant, revenue in lieu of taxes and delinquent property taxes. The Ohio Facilities Construction Commission Grant monies will be collected over the life of the construction of the new facilities. Revenue in lieu of taxes is collected over the term of the agreement. Property and income taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

During fiscal year 2015, the School District was awarded $28,285,963 for the construction of a High School from the Ohio Facilities Construction Commission. At June 30, 2022, there was $1,513,686 still recorded as a receivable.

NOTE 8 – INTERFUND ACTIVITY

(a) ***Interfund Advances*** - On an as-needed basis, the District advances cash between funds to eliminate cash deficits. All advances are repaid in the following fiscal year. At fiscal year-end, receivables and payables that resulted from those advance transactions were as follows:

Fund	Due to the General Fund
Local Grants	$2,913
ESSER	1,500,553
IDEA B	142,151
Title III	11,401
Title I Disadvantaged Children	337,036
Title IV	33,073
IDEA Preschool	25,470
Improving Teacher Quality	58,392
	$2,110,989

(b) ***Interfund Transfers -*** The primary purpose of interfund transfers is to provide supplemental funding other funds in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16. During the fiscal year, the District transferred $737,166 from the general fund to the debt service fund and permanent improvement fund for debt service payments. The District also transferred $41,596 and $40,850 from the general fund to the student wellness and success fund and district managed activity fund, respectively, to subsize operations. The District transferred $468,881 from the permanent improvement fund to the debt service fund for debt service payments.

NOTE 9 – CAPITAL ASSETS

A summary of capital asset activity for the fiscal year follows:

Governmental Activities

	Restated Beginning Balance	Additions	Deductions	Transfers	Ending Balance
Nondepreciable Capital Assets					
Land	$ 1,466,981	$ -	$ -	$ -	$ 1,466,981
Construction in Process	766,933	365,177	(454,256)	(464,635)	213,219
Total Nondepreciable Assets	2,233,914	365,177	(454,256)	(464,635)	1,680,200
Depreciable Capital Assets					
Land Improvements	1,277,737	234,775	-	-	1,512,512
Buildings	82,637,681	749,265	-	435,715	83,822,661
Furniture and Equipment	18,431,893	77,465	-	28,920	18,538,278
Vehicles and Buses	520,035	88,580	(15,976)	-	592,639
Total Depreciable Assets	102,867,346	1,150,085	(15,976)	464,635	104,466,090
Less accumulated depreciation					
Land Improvements	(1,066,519)	(20,476)	-	-	(1,086,995)
Buildings	(22,046,070)	(2,419,825)	-	-	(24,465,895)
Furniture and Equipment	(8,584,028)	(711,063)	-	-	(9,295,091)
Vehicles and Buses	(444,464)	(15,597)	15,976	-	(444,085)
Total accumulated depreciation	(32,141,081)	(3,166,961)	15,976	-	(35,292,066)
Depreciable Capital Assets, Net of accumulated depreciation	70,726,265	(2,016,876)	-	464,635	69,174,024
Total Capital Assets, Net	$ 72,960,179	$ (1,651,699)	$ (454,256)	$ -	$ 70,854,224

Beginning balances were restated, see note 18 for additional information.

Depreciation expense was charged to the governmental functions as follows:

Instruction Regular	$ 64,794
Instruction Special	9,522
Instruction Vocational	5,663
School Administration	78,617
Fiscal Services	1,751
Operations and Maintenance	2,942,242
Noninstructional Services	26,529
Co-Curricular activities	37,843
Total depreciation expense	$ 3,166,961

NOTE 10 – LONG TERM LIABILITIES

A summary of changes in long-term liabilities for the fiscal year ended June 30, 2022, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Series 2014 GO Bonds	$ 23,740,000	$ -	$ (380,000)	$ 23,360,000	$ 240,000
Series 2014 GO Bonds Premium	460,089	-	(14,606)	445,483	-
Series 2017 UTGO Refunding Bond:					
Term Bonds	7,805,000	-	(75,000)	7,730,000	75,000
Capital Appreciation Bonds	169,732	-	-	169,732	-
CABs Accumulated Accretion	85,795	32,661	-	118,456	-
Term Bonds Premium	484,794	-	(20,629)	464,165	-
CABs Premium	687,945	-	(40,505)	647,440	-
Series 2020 LTGO VP Bond	2,725,000	-	(444,000)	2,281,000	452,000
Total General Obligation Bonds/Notes	36,158,355	32,661	(974,740)	35,216,276	767,000
Net Pension Liability					
SERS	17,402,928	-	(7,769,394)	9,633,534	-
STRS	65,641,871	-	(30,884,938)	34,756,933	-
Total Net Pension Liability	83,044,799	-	(38,654,332)	44,390,467	-
Net OPEB Liability					
SERS	5,703,989	-	(703,367)	5,000,622	-
Total Net OPEB Liability	5,703,989	-	(703,367)	5,000,622	-
Series 2015 Direct Financing:					
School Facilities Construction	7,820,000	-	(415,000)	7,405,000	425,000
School Facilities Discount	(8,126)	-	561	(7,565)	-
Refunding	2,350,000	-	(310,000)	2,040,000	315,000
Refunding Premium	6,049	-	(930)	5,119	-
Total Direct Financing	10,167,923	-	(725,369)	9,442,554	740,000
Compensated Absences	2,831,133	656,448	(451,754)	3,035,827	391,382
Total Long Term Liabilities	$ 137,906,199	$ 689,109	$ (41,509,562)	$ 97,085,746	$ 1,898,382

NOTE 10 – LONG TERM LIABILITIES (Continued)

Series 2014 School Facilities Improvement Bonds

On August 7, 2014, the District issued $33,303,594 in general obligation bonds for the purpose of carrying out a School Facilities Commission Project in the District. The bonds were issued for a thirty-eight year period with interest rates ranging from .35% to 5.0% and a final maturity at October 1, 2052. These bonds are a general obligation of the District for which the full faith and credit of the District is pledged for repayment. The bonds were issued at a premium in the amount of $832,795.

Series 2017 UTGO Refunding Bonds

On October 12, 2017, the District issued $8,229,732 in refunding bond for the purpose of refunding the 2014 School Facilities Improvement Bonds. The bonds were issued for a twenty-seven year period with an interest rate of 3.62% and a final maturity at October 1, 2044. These bonds are a general obligation of the District for which the full faith and credit of the District is pledged for repayment. The bonds were issued at a premium in the amount of $1,386,709.

Series 2020 Various Purpose Notes

On June 3, 2020, the District issued $3,161,687 in unvoted general obligation notes for the purpose of refunding Series 2011 Notes and to purchase server equipment. The notes were issued for a seven year period with an interest rate of 1.75% and a final maturity at December 1, 2026. These notes are a general obligation of the District for which the full faith and credit of the District is pledged for repayment.

Principal and interest requirements to retire long-term debt at June 30, 2022, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	$ 767,000	$ 1,305,638	$ 2,072,638
2024	790,000	1,285,532	2,075,532
2025	937,000	1,261,896	2,198,896
2026	942,000	1,236,199	2,178,199
2027	1,010,000	1,209,006	2,219,006
2028-2032	3,335,000	5,679,612	9,014,612
2033-2037	4,400,000	4,872,126	9,272,126
2038-2042	3,552,394	3,765,650	7,318,044
2043-2047	7,005,794	3,281,325	10,287,119
2048-2052	8,895,000	1,328,900	10,223,900
2053	2,025,000	40,500	2,065,500
Total	$ 33,659,188	$ 25,266,384	$ 58,925,572

NOTE 10 – LONG TERM LIABILITIES (Continued)

Financed Purchase Agreements The following agreements meet the criteria of financed purchases which are defined as financed purchases which transfers ownership to the lessee. Financed purchase payments are reflected as debt service expenditures in the fund financial statements. Principal payments made during the fiscal year totaled $725,000.

Series 2012 Certificates of Participation - HVAC Finance Purchase Agreement

On May 17, 2012, the District entered into a series of one-year renewable finance-purchase agreements with Huntington National Bank (the Bank), whereas the District leases certain parcels of land to the Bank, and subsequently purchases and installs energy conservation measures at the school facilities located on the land (the Project Facilities), and the Bank, in turn, subleases the land, and leases the Project Facilities to the District. The Bank agreed to pre-pay $4,445,895 in rental payments to fund the construction project. In turn, the District agreed to pay $4,445,895 under the sublease at an interest rate of 3.15% maturing June 1, 2027. The lease was refunded in November 2015 paying off balance of the amount outstanding.

Series 2015 Certificates of Participation – Finance Purchase Agreement

On December 1, 2015, the District entered into a series of one-year renewable finance-purchase agreements with Buckeye Leasing Services (the Bank), whereas the District agrees to finance the acquisition, construction, improvement, furnishing, and equipping of school facilities and lease the school facilities to the Bank, and the Bank, in turn, agrees to sublease the school facilities back to the District. The Bank agreed to pre-pay $13,575,000 in rental payments. Of this amount, $9,770,000 will be used to fund the acquisition, construction, improvement, furnishing, and equipping of school facilities and $3,805,000 was used to refund the Series 2012 HVAC Lease Purchase Agreement. In turn, the District agrees to pay $13,575,000 under the sublease at interest rates ranging from 2.0% to 4.0% maturing December 31, 2035.

In the event of default, the Bank may (i) request the District to promptly return possession of the school facilities to the Bank; (ii) sublease the school facilities for the account of the District and hold the District liable for all applicable lease payments and other payments due during the then current lease term to the effective date of such subleasing and for the difference between rental and other amounts paid by the sublessee pursuant to such sublease and the amount payable during the then current lease term by the District under the lease; and (iii) exercise any other right, remedy or privilege which may be available to it under the applicable laws of the State or any other applicable law or proceed by appropriate court action to enforce the terms of this lease or to recover damages for the breach of this lease or to rescind this lease as to the school facilities.

NOTE 10 – LONG TERM LIABILITIES (Continued)

The agreements provide for minimum annual financed purchase payments as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	$ 740,000	$ 316,757	$ 1,056,757
2024	760,000	298,457	1,058,457
2025	780,000	272,882	1,052,882
2026	810,000	245,132	1,055,132
2027	835,000	219,935	1,054,935
2028-2032	3,010,000	745,427	3,755,427
2033-2036	2,510,000	195,982	2,705,982
Total	$ 9,445,000	$ 2,294,572	$ 11,739,572

Debt service relating to the notes and the certificates of participation are recorded as expenditures in the Permanent Improvement Fund. The general obligation bonds will be paid from the Bond Retirement Fund. Obligations related to employee compensation are paid from the fund benefitting from their service. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefiting from the employee's service. For additional information related to the net pension liability and net OPEB liability see Notes 12 and 13.

The Ohio Revised Code (ORC) provides that voted net general obligation debt of the District shall never exceed 9% and that unvoted indebtedness shall not exceed 1/10 of 1% of the total assessed valuation of the District. At fiscal year-end, the District's voted and unvoted debt limits were $104,241,930 and $1,158,244, respectively, and total applicable debt outstanding was within these limits.

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft or, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the fiscal year, the District contracted for general liability insurance and property insurance. The District contracts with Delta Dental for dental coverage and Prudential to provide life insurance coverage for employees. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from the prior fiscal year.

On January 1, 2015, the District became self-insured for workers' compensation in connection with formalized risk management programs in an effort to minimize risk exposure and control claims and premium costs. The District contracts with Hunter Consulting Co. to be the third-party administrator for the insurance program. The District paid claims in the amount of $0 during the fiscal year from funds benefitting from the employees' service. The District has purchased stop loss coverage for individual employee claim amounts exceeding the contracted threshold.

On January 1, 2018, the District became self-insured for health insurance in an effort to minimize risk exposure and control claims and premium costs. The District contracted with Anthem to be the third party administrator for the program. A claims liability of $942,000 at fiscal year-end in the self-insurance internal service fund reflects an estimate of incurred but unpaid claims liability. This liability was estimated by a third party based on claims experience. The District has purchased stop loss coverage for individual employee claim amounts exceeding $175,000. Unpaid claims at fiscal year-end are recorded as current claims payable because they would be due within 60 days from the end of the fiscal year.

NOTE 11 – RISK MANAGEMENT (Continued)

A summary of the changes in the self-insurance claims liability for the fiscal year ended June 30 as follows:

	2021	2022
Claims Liability at July 1	$ 589,000	$ 526,000
Incurred Claims	10,166,241	12,542,727
Claims Paid	(10,229,241)	(12,126,727)
Claims Liability at June 30	$ 526,000	$ 942,000

NOTE 12 – DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability (Asset)

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

The net pension/OPEB liability (asset) represents the 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/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires 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 (assets) 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/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description - School Employees Retirement System (SERS)

Plan Description – District non-teaching employees participate in SERS, a statewide, cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor 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 before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, may 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 percent for the first 30 years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPIW, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for calendar years 2018, 2019, and 2020. SERS approved a 0.5 percent COLA for calendar year 2021.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2022, the allocation to pension, death benefits, and Medicare B was 14.0 percent. SERS did not allocate employer contributions to the Health Care Fund for fiscal year 2022.

The District's contractually required contribution to SERS was $1,507,062 for fiscal year 2022. Of this amount, $56,331 is reported as a due to other governments.

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description - State Teachers Retirement System (STRS)

Plan Description – District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee 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 is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective August 1, 2017 – July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019 – July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to 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 actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

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

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

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

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate is 14 percent and the statutory member rate is 14 percent of covered payroll. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The 2022 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was $5,018,680 for fiscal year 2022. Of this amount, $714,215 is reported as a due to other governments.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to 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 independent actuarial valuation as of that date. The District's proportion of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.26109190%	0.27183801%	
Prior Measurement Date	0.26311420%	0.27128729%	
Change in Proportionate Share	-0.00202230%	0.00055072%	
Proportionate Share of the Net Pension Liability	$ 9,633,534	$ 34,756,933	$ 44,390,467
Pension Expense	$ (516,341)	$ 930,861	$ 414,520

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period.

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

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	$ 929	$ 1,073,822	$ 1,074,751
Changes of Assumptions	202,854	9,642,196	9,845,050
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	-	1,310,407	1,310,407
District Contributions Subsequent to the Measurement Date	1,507,062	5,018,680	6,525,742
Total Deferred Outflows of Resources	$ 1,710,845	$ 17,045,105	$ 18,755,950
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 249,837	$ 217,856	$ 467,693
Net Difference between Projected and Actual Earnings on Pension Plan Investments	4,961,549	29,953,825	34,915,374
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	132,575	-	132,575
Total Deferred Inflows of Resources	$ 5,343,961	$ 30,171,681	$ 35,515,642

$6,525,742 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (1,325,705)	$ (4,203,216)	$ (5,528,921)
2024	(1,111,902)	(3,728,494)	(4,840,396)
2025	(1,179,676)	(4,285,585)	(5,465,261)
2026	(1,522,895)	(5,927,961)	(7,450,856)
Total	$ (5,140,178)	$ (18,145,256)	$ (23,285,434)

NOTE 12 – 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 terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2132.

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

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

Actuarial Cost Method	Entry Age Normal (Level Percentage of Payroll, Closed)
Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent, net of investment expense, including inflation
COLA or Ad Hoc COLA	2.00 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement

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

The most recent experience study was completed for the five year period ended June 30, 2020.

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The target asset 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 7.00 percent. The discount rate determination does not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 23-year amortization period of the unfunded actuarial accrued liability. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments was 28.18 percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net Pension Liability	$ 16,027,835	$ 9,633,534	$ 4,240,941

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation, are presented below:

Inflation	2.50 percent
Acturial Cost Method	Entry Age Normal (Level Percent of Payroll)
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Cost-of-Living Adjustments	0.00 percent

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

The actuarial assumptions used in the June 30, 2021 valuation, were based on the results of the latest available actuarial experience study, which is for the period July 1, 2011, through June 30, 2016. An actuarial experience study is done on a quinquennial basis.
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 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 %	

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

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes that employer and member contributions will be made at statutory contribution rates of 14 percent each. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table represents the District's proportionate share of the net pension liability measured as of June 30, 2021, calculated using the current period discount rate assumption of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net Pension Liability	$ 65,086,727	$ 34,756,933	$ 9,128,322

Assumption and Benefit Changes since the Prior Measurement Date The discount rate was adjusted to 7.00 percent from 7.45 percent for the June 30, 2021 valuation.

Social Security System

Effective July, 1, 1991, all employees not otherwise covered by School Employee Retirement System or State Teacher Retirement System have an option to choose Social Security. As of June 30, 2022, three members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

NOTE 13 – DEFINED BENEFIT OPEB PLANS

See Note 12 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

NOTE 13 – DEFINED BENEFIT OPEB PLANS (Continued)

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2022, SERS did not allocate any employer contributions 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, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the District's surcharge obligation was $147,525, which is reported as a due to other governments.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B partial premium reimbursements will be continued indefinitely. 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 percent 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/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 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:

NOTE 13 – DEFINED BENEFIT OPEB PLANS (Continued)

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.26422200%	0.27183800%	
Prior Measurement Date	0.26245400%	0.27128700%	
Change in Proportionate Share	0.00176800%	0.00055100%	
Proportionate Share of the Net OPEB Liability (Asset)	$ 5,000,622	$ (5,731,481)	
OPEB Expense	$ (36,441)	$ (303,429)	$ (339,870)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ 53,304	$ 204,082	$ 257,386
Changes of Assumptions	784,479	366,101	1,150,580
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	322,728	305,245	627,973
District Contributions Subsequent to the Measurement Date	147,525	-	147,525
Total Deferred Outflows of Resources	$ 1,308,036	$ 875,428	$ 2,183,464
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 2,490,532	$ 1,050,114	$ 3,540,646
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	108,643	1,588,666	1,697,309
Changes of Assumptions	684,792	3,419,255	4,104,047
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	241,920	108,746	350,666
Total Deferred Inflows of Resources	$ 3,525,887	$ 6,166,781	$ 9,692,668

$147,525 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

NOTE 13 – DEFINED BENEFIT OPEB PLANS (Continued)

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (495,392)	$ (1,468,606)	$ (1,963,998)
2024	(496,153)	(1,428,857)	(1,925,010)
2025	(557,190)	(1,482,104)	(2,039,294)
2026	(504,009)	(692,546)	(1,196,555)
2027	(245,858)	(224,506)	(470,364)
Thereafter	(66,774)	5,266	(61,508)
Total	$ (2,365,376)	$ (5,291,353)	$ (7,656,729)

Actuarial Assumptions - SERS

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

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

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

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

Inflation	2.40 percent
Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Municipal Bond Index Rate	
Measurement Date	1.92 percent
Prior Measurement Date	2.45 percent
Single Equivalent Interest Rate	
Measurement Date	2.27 percent, net of plan investment expense, including price inflation
Prior Measurement Date	2.63 percent, net of plan investment expense, including price inflation
Health Care Cost Trend Rate	
Pre-Medicare	6.750 percent - 4.40 percent
Medicare	5.125 percent - 4.40 percent

NOTE 13 – DEFINED BENEFIT OPEB PLANS (Continued)

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

The most recent experience study was completed for the five year period ended June 30, 2020.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer time frame. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

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 percent. The discount rate used to measure total OPEB liability prior to June 30, 2021 was 2.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the plan at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2020 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 1.92 percent at June 30, 2021 and 2.45 percent at June 30, 2020.

NOTE 13 – DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.27 percent) and higher (3.27 percent) than the current discount rate (2.27 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (5.75 percent decreasing to 3.40 percent) and higher (7.75 percent decreasing to 5.40 percent) than the current rate (6.75 percent decreasing to 4.40 percent).

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	$ 6,196,371	$ 5,000,622	$ 4,045,365

	1% Decrease	Current Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	$ 3,850,066	$ 5,000,622	$ 6,537,402

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation are presented below:

Inflation	2.50 percent	
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	
Payroll Increases	3.00 percent	
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	
Discount Rate of Return	7.00 percent	
Health Care Cost Trend Rates		
Medical	Initial	Ultimate
Pre-Medicare	5.00 percent	4.00 percent
Medicare	-16.18 percent	4.00 percent
Prescription Drug		
Pre-Medicare	6.50 percent	4.00 percent
Medicare	29.98 percent	4.00 percent

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

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

NOTE 13 – DEFINED BENEFIT OPEB PLANS (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were adopted by the board from the results of an actuarial experience study for 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 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 %	

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

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2021.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2021, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as of June 30, 2021, 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	Current Discount Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability (Asset)	$ (4,836,485)	$ (5,731,481)	$ (6,479,117)

	1% Decrease	Current Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability (Asset)	$ (6,448,824)	$ (5,731,481)	$ (4,844,422)

Assumption Changes Since the Prior Measurement Date The discount rate was adjusted to 7.00 percent from 7.45 percent for the June 30, 2021 valuation.

NOTE 13 – DEFINED BENEFIT OPEB PLANS (Continued)

Benefit Term Changes Since the Prior Measurement Date The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.100 percent. 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.

NOTE 14 – CONTINGENCIES

(a) ***Grants -*** The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is 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, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2022, if applicable, cannot be determined at this time.

(b) ***Foundation Funding*** – District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2022 are finalized. As a result, the net impact of the FTE adjustments on the fiscal year 2022 financial statements was insignificant.

(c) ***Litigation -*** The District is currently party to litigation. Although management cannot presently determine the outcome of this litigation, management believes that the resolution of these matters will not materially adversely affect the District’s financial condition.

NOTE 15 – ENCUMBRANCES

The District encumbers funds with purchase orders to assign funds for those purchases of goods and services. Encumbrances as of fiscal year end were as follows:

	Encumbrances
General Fund	$ 452,788
Other Governmental Funds	5,853,254
Total	$ 6,306,042

NOTE 16 – SET ASIDES

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of an equal amount for the acquisition and construction of capital improvements. The following cash basis information describes the change in the year end set-aside amounts for each reserve:

NOTE 16 – SET ASIDES (Continued)

Set-aside cash balance as of June 30, 2021	$ -
Current fiscal year set-aside requirement	1,045,665
Offset: Permanent Improvement Levy	(727,686)
Offset: Classroom Facilities Maintenance Levy	(179,637)
Offset: Bond Proceeds	(138,342)
Total	$ -
Set Aside Restricted Balance June 30, 2022	$ -

Capital acquisition offsets and qualifying disbursements presented in the table were limited to those necessary to reduce the fiscal year-end balance to zero. During fiscal year 2015, the District issued $33,303,594 in capital related debt based on a building project undertaken by the District. These proceeds may be used as qualifying disbursements to reduce the capital acquisition to zero for future fiscal years. The District still has $33,100,049 in qualifying disbursements that may be used to reduce the set-aside requirement for future fiscal years.

NOTE 17 – COMPLIANCE AND ACCOUNTABILITY

Fund Balance Deficits - Fund balances at fiscal year-end included the following individual deficits:

Fund Name	Deficit
Other Governmental Funds	
Title VI-B IDEA	$ 12,443
Madison Christian	2,913
Safe and Drug Free Schools	5,875
IDEA Preschool	9,116
Expanding Opportunities	172,975
	$ 203,322

These fund deficits resulted from the application of accounting principles generally accepted in the United States of America. The General Fund is liable for the deficits in the Other Governmental Funds and provides operating transfers when cash is required, not when accruals occur.

NOTE 18 – IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

Implementation of New Accounting Principles

For the fiscal year ended June 30, 2022, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases,* certain provisions of GASB Statement No. 93, *Replacement of Interbank Offered Rates,* certain provisions of 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,* and certain provisions in GASB Statement No. 99, *Omnibus 2022.*

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The implementation of GASB Statement No. 87 did not have an effect on the financial statements of the District.

NOTE 18 – IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION (Continued)

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of paragraphs 13 and 14 of GASB Statement No. 93 did not have an effect on the financial statements of the District.

GASB Statement No. 97 addresses requirements that are related to a) the accounting and financial reporting for Section 457 plans and b) determining whether a primary government is financially accountable for a potential component unit. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the District.

GASB Statement No. 99 enhances comparability in the application of accounting and financial reporting requirements and will improve consistency of authoritative literature. The implementation of certain provisions of GASB Statement No. 99 did not have an effect on the financial statements of the District.

Restatement of Net Position

The District restated their capital assets during the fiscal year due a change in their capitalization threshold from $1,000 to $5,000. This restatement had the following effect on net position as reported June 30, 2021:

	Governmental Activities
Net Position, June 30, 2021	$ 13,909,635
Capital Asset Restatement	(1,522,978)
Restated Net Position, June 30, 2021	$ 12,386,657

NOTE 19 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency continues. During fiscal year 2022, the District received COVID-19 funding. The financial impact of COVID-19 and the continuing recovery measures will impact subsequent periods of the District. The impact on the District’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

During fiscal year 2022, the District recorded Elementary and Secondary School Emergency Relief (ESSER) funds and COVID Relief funds in the amounts of $8,518,058 and $9,269, respectively. Of the amounts recorded, none was sub-granted to other governments and organizations, returned to the granting agency, or spent on-behalf of other governments. The District did not receive significant donated personal protective equipment as an on-behalf of grant from another government.

NOTE 20 – SUBSEQUENT EVENTS

In July 2022, the District closed on $9,200,000 in Ohio School Facilities Construction and Improvement Refunding Bonds, which were issued for the purpose of refunding a portion of 2015 certificates of participation.

In September 2022, the District closed on $8,977,000 in Lease Purchase proceeds, which was entered into for the purpose of refunding a portion of the 2014 School Facilities Construction and Improvement Bonds.

Groveport Madison Local School District

Required Supplementary Information

Schedule of District's Proportionate Share of the Net Pension Liability

School Employees Retirement System of Ohio

Last Nine Fiscal Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.2610919%	0.2631142%	0.2614494%	0.2682617%	0.242875%	0.247206%	0.240902%	0.229231%	0.229231%
District's Proportionate Share of the Net Pension Liability	$ 9,633,534	$ 17,402,928	$ 15,642,976	$ 15,363,844	$ 14,511,269	$ 18,093,169	$ 13,746,085	$ 11,601,250	$ 13,631,633
District's Covered Payroll	$ 9,029,093	$ 6,794,536	$ 6,500,520	$ 6,461,607	$ 7,910,800	$ 7,780,269	$ 7,295,735	$ 6,498,788	$ 7,258,315
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	106.69%	256.13%	240.64%	237.77%	183.44%	232.55%	188.41%	178.51%	187.81%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM OF OHIO

LAST NINE FISCAL YEARS (1)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.27183801%	0.27128729%	0.26659355%	0.26127703%	0.253202%	0.243017%	0.234635%	0.232747%	0.232747%
District's Proportionate Share of the Net Pension Liability	$ 34,756,933	$ 65,641,871	$ 58,955,561	$ 57,448,953	$ 60,148,578	$ 81,345,088	$ 64,846,295	$ 56,612,065	$ 67,435,921
District's Covered Payroll	$ 33,332,350	$ 32,978,507	$ 31,468,727	$ 29,880,652	$ 26,371,953	$ 26,658,538	$ 25,504,227	$ 23,047,120	$ 23,907,742
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	104.27%	199.04%	187.35%	192.26%	228.08%	305.14%	254.26%	245.64%	282.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.80%	75.50%	77.40%	77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually Required Contribution	$ 1,507,062	$ 1,264,073	$ 951,235	$ 877,570
Contributions in Relation to the Contractually Required Contribution	$ 1,507,062	$ 1,264,073	$ 951,235	$ 877,570
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 10,764,729	$ 9,029,093	$ 6,794,536	$ 6,500,520
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.50%

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014	2013
$ 872,317	$ 1,107,512	$ 1,089,238	$ 961,578	$ 900,732	$ 1,004,551
$ 872,317	$ 1,107,512	$ 1,089,238	$ 961,578	$ 900,732	$ 1,004,551
$ -	$ -	$ -	$ -	$ -	$ -
$ 6,461,607	$ 7,910,800	$ 7,780,269	$ 7,295,735	$ 6,498,788	$ 7,258,315
13.50%	14.00%	14.00%	13.18%	13.86%	13.84%

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM OF OHIO

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually Required Contribution	$ 5,018,680	$ 4,666,529	$ 4,616,991	$ 4,405,621
Contributions in Relation to the Contractually Required Contribution	$ 5,018,680	$ 4,666,529	$ 4,616,991	$ 4,405,621
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 35,847,714	$ 33,332,350	$ 32,978,507	$ 31,468,727
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014	2013
$ 4,183,291	$ 3,692,073	$ 3,732,195	$ 3,570,592	$ 2,996,126	$ 3,108,006
$ 4,183,291	$ 3,692,073	$ 3,732,195	$ 3,570,592	$ 2,996,126	$ 3,108,006
$ -	$ -	$ -	$ -	$ -	$ -
$ 29,880,652	$ 26,371,953	$ 26,658,538	$ 25,504,227	$ 23,047,120	$ 23,907,742
14.00%	14.00%	14.00%	14.00%	13.00%	13.00%

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

LAST SIX FISCAL YEARS (1)

	2022	2021	2020	2019	2018	2017
District's Proportion of the Net OPEB Liability	0.2642220%	0.2624540%	0.2672420%	0.2712717%	0.2464639%	0.2489323%
District's Proportionate Share of the Net OPEB Liability	$ 5,000,622	$ 5,703,989	$ 6,720,579	$ 7,525,810	$ 6,614,444	$ 7,095,490
District's Covered Payroll	$ 9,029,093	$ 6,794,536	$ 6,500,520	$ 6,461,607	$ 7,910,800	$ 7,780,269
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	55.38%	83.95%	103.39%	116.47%	83.61%	91.20%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
STATE TEACHERS RETIREMENT SYSTEM OF OHIO

LAST SIX FISCAL YEARS (1)

	2022	2021	2020	2019	2018	2017
District's Proportion of the Net OPEB Liability (Asset)	0.27183800%	0.27128700%	0.26659400%	0.26127703%	0.25320158%	0.24301700%
District's Proportionate Share of the Net OPEB Liability (Asset)	$ (5,731,481)	$ (4,767,864)	$ (4,415,436)	$ (4,198,455)	$ 9,878,992	$ 12,996,612
District's Covered Payroll	$ 33,332,350	$ 32,978,507	$ 31,468,727	$ 29,880,652	$ 26,371,953	$ 26,658,538
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-17.19%	-14.46%	-14.03%	-14.05%	37.46%	48.75%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	174.73%	182.10%	174.70%	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually Required Contribution (1)	$ 147,525	$ 146,664	$ 118,570	$ 192,375
Contributions in Relation to the Contractually Required Contribution	$ 147,525	$ 146,664	$ 118,570	$ 192,375
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 10,764,729	$ 9,029,093	$ 6,794,536	$ 6,500,520
Contributions as a Percentage of Covered Payroll (1)	1.37%	1.62%	1.75%	2.96%

(1) Includes Surcharge

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014	2013
$ 174,952	$ 134,336	$ 123,453	$ 179,765	$ 91,727	$ 100,231
$ 174,952	$ 134,336	$ 123,453	$ 179,765	$ 91,727	$ 100,231
$ -	$ -	$ -	$ -	$ -	$ -
$ 6,461,607	$ 7,910,800	$ 7,780,269	$ 7,295,735	$ 6,498,788	$ 7,258,315
2.71%	1.70%	1.59%	2.46%	1.41%	1.38%

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM OF OHIO

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually Required Contribution	$ -	$ -	$ -	$ -
Contributions in Relation to the Contractually Required Contribution	$ -	$ -	$ -	$ -
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 35,847,714	$ 33,332,350	$ 32,978,507	$ 31,468,727
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014	2013
$ -	$ -	$ -	$ -	$ 300,953	$ 239,077
$ -	$ -	$ -	$ -	$ 300,953	$ 239,077
$ -	$ -	$ -	$ -	$ -	$ -
$ 29,880,652	$ 26,371,953	$ 26,658,538	$ 25,504,227	$ 23,047,120	$ 23,907,742
0.00%	0.00%	0.00%	0.00%	1.31%	1.00%

NOTE 1 - NET PENSION LIABILITY

There were no changes in assumptions or benefit terms for the fiscal years reported unless otherwise stated below:

Changes in Assumptions - SERS

For fiscal year 2022, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.00 percent to 2.40 percent
- Payroll growth assumption was reduced from 3.50 percent to 1.75 percent
- Assumed real wage growth was reduced from 0.50 percent to 0.85 percent
- Discount rate was reduced from 7.50 percent to 7.00 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For fiscal year 2017, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.25 percent to 3.00 percent
- Payroll Growth Assumption was reduced from 4.00 percent to 3.50 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.50 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females.
- Mortality among service retired members, and beneficiaries was updated to RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates.
- Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

Changes in Benefit Terms - SERS

For fiscal year 2021, cost-of-living adjustments was reduced from 2.50 percent to 2.00 percent.

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Changes in Assumptions – STRS

For fiscal year 2022, the long term expected rate of return was reduced from 7.45 percent to 7.00 percent.

For fiscal year 2018, the Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, 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 percent 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.

Changes in Benefit Terms - STRS

For fiscal year 2018, the cost-of-living adjustment (COLA) was reduced to zero.

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions – SERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

Municipal Bond Index Rate:

Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Pre-Medicare Trend Assumption

Fiscal year 2022	6.75 percent initially, decreasing to 4.40 percent
Fiscal year 2021	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2020	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2019	7.25 percent initially, decreasing to 4.75 percent
Fiscal year 2018	7.50 percent initially, decreasing to 4.00 percent

Medicare Trend Assumption

Fiscal year 2022	5.125 percent initially, decreasing to 4.40 percent
Fiscal year 2021	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2020	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2019	5.375 percent initially, decreasing to 4.75 percent
Fiscal year 2018	5.50 percent initially, decreasing to 5.00 percent

Changes in Benefit Terms – SERS

There have been no changes to the benefit provisions.

Changes in Assumptions – STRS

For fiscal year 2021, valuation year per capita health care costs were updated. Health care cost trend rates ranged from -5.20 percent to 9.60 percent initially for fiscal year 2020 and changed for fiscal year 2021 to a range of -6.69 percent to 11.87 percent, initially.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent. Valuation year per capita health care costs were updated. Health care cost trend rates ranged from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate for fiscal year 2018 and changed for fiscal year 2019 to a range of -5.20 percent to 9.60 percent, initially and a 4.00 ultimate rate.

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. 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.

Changes in Benefit Terms – STRS

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

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

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent 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 fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent 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. This was subsequently extended, see above paragraph.

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/ *Pass Through Grantor /* Program/Cluster Title	Federal AL Number	Grant Year	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through The Ohio Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program (SBP)	10.553	2022	$ 1,432,497
National School Lunch Program (NSLP)	10.555	2022	2,958,195
COVID-19 National School Lunch Program (NSLP)	10.555	2022	306,325
Non-Cash Assistance - National School Lunch Program (NSLP)	10.555	2022	245,148
Total AL 10.555			3,509,668
Summer Food Service Program	10.559	2022	643,981
Total Child Nutrition Cluster			5,586,146
Total U.S. Department of Agriculture			5,586,146
U.S. DEPARTMENT OF THE TREASURY:			
Passed - Through Franklin County, Ohio			
Local Coronavirus Relief Fund - CARES Act	21.019	2021	15,267
Total U.S. Department of the Treasury			15,267
U.S. DEPARTMENT OF EDUCATION			
Passed Through The Ohio Department of Education:			
Title I Grants to Local Educational Agencies (LEAs)	84.010	2021	288,978
Title I Grants to Local Educational Agencies (LEAs)	84.010	2022	2,502,738
Total Title I Grants to Local Educational Agencies (LEAs)			2,791,716
Special Education Cluster (IDEA)			
COVID-19 Special Education - Grants to States (IDEA, Part B)	84.027	2022	29,121
Special Education - Grants to States (IDEA, Part B)	84.027	2022	1,452,731
Total AL 84.027			1,481,852
COVID-19 Special Education - Preschool Grants (IDEA Preschool)	84.173	2022	18,320
Special Education - Preschool Grants (IDEA Preschool)	84.173	2022	24,500
Total AL 84.173			42,820
Total Special Education Cluster (IDEA)			1,524,672
English Language Acquisition Grants	84.365	2022	23,768
Supporting Effective Instruction State Grant	84.367	2022	230,457
Student Support and Academic Enrichment Grants	84.424	2022	156,756
COVID-19 Education Stabilization Fund (ESF):			
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	2022	1,868,727
COVID-19 Elementary and Secondary School Emergency Relief Fund - ARP Homeless	84.425W	2022	11,159
COVID-19 Elementary and Secondary School Emergency Relief Fund - ARP	84.425U	2022	2,564,229
Total COVID-19 Education Stabilization Fund (ESF)			4,444,115
Total – U.S. Department of Education			**9,171,484**
Total Expenditures of Federal Awards			**$ 14,772,897**

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

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
FRANKLIN 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 Groveport Madison Local School District (the District) under programs of the federal government for the 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 – Child Nutrition Cluster

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

Note E – Food Donation Program

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

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

Groveport Madison Local School District
Franklin County
4400 Marketing Place, Suite B
Groveport, Ohio 43125

To the Board of Education:

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 the **Groveport Madison Local School District**, Franklin County (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 January 31, 2023.

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 District'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.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

January 31, 2023

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

Groveport Madison Local School District
Franklin County
4400 Marketing Place, Suite B
Groveport, Ohio 43125

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Groveport Madison Local School District's**, Franklin County (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Groveport Madison Local School District's major federal programs for the year ended June 30, 2022. Groveport Madison Local School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of audit findings.

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

Basis for Opinion on the 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 *Auditor's 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 the 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

The District's 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.

Auditor's 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 the 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 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 *Auditor's 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 this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

January 31, 2023

GROVEPORT MADISON LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any other significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Education Stabilization Fund, AL #84.425 Title 1 Grants to Local Educational Agencies – AL #84.010
(d)(1)(viii)	**Dollar Threshold: Type A/B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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OHIO AUDITOR OF STATE
KEITH FABER

GROVEPORT MADISON LOCAL SCHOOL DISTRICT

FRANKLIN 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 4/4/2023

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