OHIO AUDITOR OF STATE
KEITH FABER

MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY

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LORAIN COUNTY

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

INDEPENDENT AUDITOR'S REPORT

Midview Local School District
Lorain County
13050 Durkee Road
Grafton, Ohio 44044

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Midview Local School District, Lorain 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, the major fund, and the aggregate remaining fund information of Midview Local School District, Lorain County, Ohio as of June 30, 2022, and the respective changes in financial position 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, the District reclassified the food service fund from an enterprise fund to a non-major governmental fund as of July 1, 2021. The governmental activities, business-type activities, and enterprise fund net position as well as other governmental funds fund balance have been restated. We did not modify our opinion regarding this matter.

As discussed in Note 18 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

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 Federal Awards Receipts and Expenditures Schedule 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 Federal Awards Receipts and Expenditures Schedule 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 March 22, 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.

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

March 22, 2023

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MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

The management's discussion and analysis of the Midview Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 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 the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- In total, net position of governmental activities increased $7,284,098 which represents a 54.00% increase from 2021's restated net position.

- General revenues accounted for $35,195,710 in revenue or 81.53% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $7,973,235 or 18.47% of total revenues of $43,168,945

- The District had $35,884,847 in expenses related to governmental activities. Only $7,973,235 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $35,195,710 were adequate to provide for these programs.

- The District's only major governmental fund is the general fund. The general fund had $34,160,191 in revenues and $31,854,825 in expenditures and other financing uses. During fiscal year 2022, the general fund's fund balance increased $2,305,366 from $25,394,302 to a balance of $27,699,668.

Using the Basic Financial Statements

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

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

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?" The statement of net position and the statement of activities answer this question. These statements include *all assets plus deferred outflows, liabilities plus deferred inflows, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental fund begins on page 12. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's only major governmental fund is the general fund.

Governmental Funds

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

Reporting the District's Fiduciary Responsibilities

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. Custodial funds are the District's only fiduciary fund type.

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.

Required Supplementary Information

The required supplementary information provides detailed information regarding the District's proportionate share of the net pension liability and net OPEB liability/asset of the retirement systems and a ten year schedule of District's contributions to the retirement systems to fund pension and OPEB obligations.

The District as a Whole

The Statement of Net Position provides the perspective of the District as a whole. The table below provides a summary of the District's net position at June 30, 2022 and June 30, 2021. The District's net position at July 1, 2021 was restated for the implementation of GASB Statement 87 and the reclassification of the food service fund from an enterprise fund to a nonmajor governmental fund. This restatement is not reflected in the 2021 governmental activities information, but detail can be found in notes to the basic financial statements (Note 3.C).

Net Position

	Governmental Activities 2022	Restated Governmental Activities 2021
Assets		
Current and other assets	$ 65,418,561	$ 60,451,004
Capital assets, net	35,311,932	36,036,151
Total assets	100,730,493	96,487,155
Deferred Outflows of Resources	9,703,614	7,910,154
Liabilities		
Current liabilities	4,076,059	4,916,556
Long-term liabilities:		
Due within one year	1,600,582	1,801,594
Due in more than one year:		
Net pension liability	20,442,941	37,472,529
Net OPEB liability	2,540,946	2,755,119
Other amounts	20,307,606	21,360,249
Total liabilities	48,968,134	68,306,047
Deferred Inflows of Resources	40,692,772	22,602,109
Net Position		
Net investment in capital assets	15,773,607	17,656,849
Restricted	8,892,820	6,084,285
Unrestricted (deficit)	(3,893,226)	(10,252,031)
Total net position	$ 20,773,201	$ 13,489,103

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2022 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The District also adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

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

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

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

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

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

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

At year-end, capital assets represented 35.06% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles. Net investment in capital assets as of June 30, 2022, was $15,773,607 These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, $8,892,820 represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit balance of $3,893,226.

The table below shows the change in net position for fiscal years 2022 and 2021.

Change in Net Position

	Governmental Activities 2022	Restated Governmental Activities 2021
Revenues		
Program revenues:		
Charges for services and sales	$ 1,770,412	$ 4,052,131
Operating grants and contributions	6,195,071	2,335,182
Capital grants and contributions	7,752	34,192
General revenues:		
Property taxes	21,426,123	18,955,020
Payment in lieu of taxes	565,348	-
Grants and entitlements	13,952,352	16,054,670
Investment earnings and fair value adjustment	(786,059)	52,840
Other	37,946	610,819
Total revenues	$ 43,168,945	$ 42,094,854

Change in Net Position (Continued)

	Governmental Activities 2022	Restated Governmental Activities 2021
Expenses		
Program expenses:		
Instruction:		
Regular	$ 16,195,007	$ 20,482,861
Special	4,014,509	4,467,681
Vocational	98,027	109,664
Other	131,018	135,866
Support services:		
Pupil	2,692,375	2,297,795
Instructional staff	1,000,860	1,176,472
Board of education	124,031	169,373
Administration	2,699,606	2,765,166
Fiscal	812,403	878,604
Business	46,735	64,228
Operations and maintenance	3,365,151	3,176,648
Pupil transportation	1,971,450	1,996,985
Central	226,338	51,986
Operation of non-instructional services:		
Other non-instructional services	708	7,096
Food service operations	1,129,035	929,503
Extracurricular activities	899,043	873,346
Interest and fiscal charges	478,551	579,204
Total expenses	35,884,847	40,162,478
Change in net position	7,284,098	1,932,376
Net position at beginning of year (restated)	13,489,103	11,556,727
Net position at end of year	$ 20,773,201	$ 13,489,103

Governmental Activities

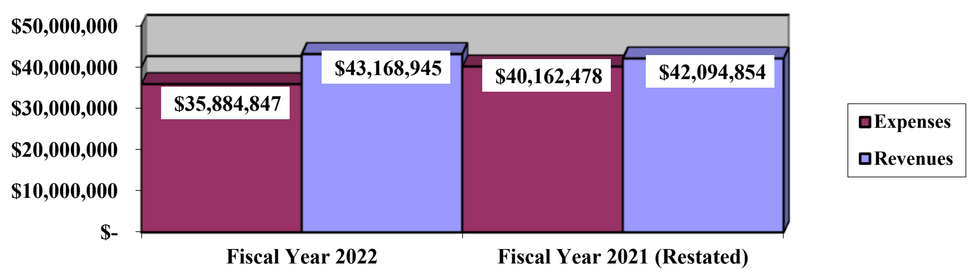
Net position of the District's governmental activities increased $7,284,098. The increase in net position is primarily a result in fluctuations in the net pension liability and related deferred inflows and outflows of resources. Total governmental expenses of $35,884,847 were partially offset by program revenues of $7,973,235 and general revenues of $35,195,710. Program revenues supported 22.22% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, payments in lieu of taxes and unrestricted grants and entitlements from the State. These revenue sources represent 83.26% of total governmental revenue.

The largest expense of the District is for instructional programs. Instruction expenses totaled $20,438,561 or 56.96% of total governmental expenses for fiscal year 2022.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2022 and 2021.

Governmental Activities - Revenues and Expenses



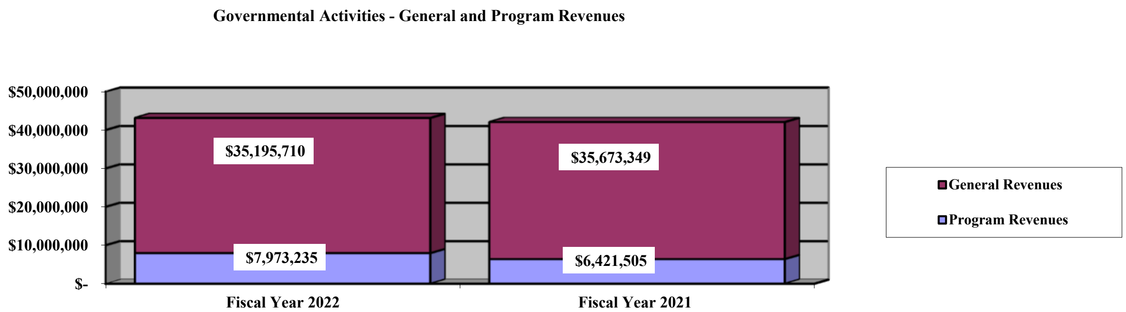
The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported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

Governmental Activities

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Restated Net Cost of Services 2021
Program expenses				
Instruction:				
Regular	$ 16,195,007	$ 14,425,246	$ 20,482,861	$ 19,863,383
Special	4,014,509	2,336,195	4,467,681	4,314,508
Vocational	98,027	(57,165)	109,664	205,025
Other	131,018	23,635	135,866	153,944
Support services:				
Pupil	2,692,375	1,636,589	2,297,795	1,895,674
Instructional staff	1,000,860	837,361	1,176,472	1,178,647
Board of education	124,031	124,031	169,373	285,242
Administration	2,699,606	2,372,585	2,765,166	2,535,889
Fiscal	812,403	786,870	878,604	812,406
Business	46,735	46,735	64,228	49,758
Operations and maintenance	3,365,151	3,047,359	3,176,648	3,804,763
Pupil transportation	1,971,450	1,826,498	1,996,985	2,018,403
Central	226,338	226,338	51,986	62,823
Operations of non-instructional services:				
Other non-instructional services	708	708	7,096	3,311
Food service operations	1,129,035	(532,331)	929,503	166,904
Extracurricular activities	899,043	332,407	873,346	985,727
Interest and fiscal charges	478,551	478,551	579,204	920,398
Total expenses	$ 35,884,847	$ 27,911,612	$ 40,162,478	$ 39,256,805

The dependence upon tax and other general revenues for governmental activities is apparent, 81.84% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 77.78%. The District's taxpayers and unrestricted grants and entitlements from the State, are the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal year 2022 and 2021.



The District's Funds

The District's governmental funds (as presented on the balance sheet on page 18) reported a combined fund balance of $36,203,208 which is $2,454,005 greater than last year's restated total of $33,749,203 The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2022 and 2021.

	Fund Balance June 30, 2022	Restated Fund Balance June 30, 2021	Change
General	$ 27,699,668	$ 25,394,302	$ 2,305,366
Other Governmental	8,503,540	8,354,901	148,639
Total	$ 36,203,208	$ 33,749,203	$ 2,454,005

General Fund

The District's general fund balance increased $2,305,366. The table that follows assists in illustrating the financial activities of the general fund.

	2022 Amount	2021 Amount	Percentage Change
Revenues			
Taxes	$ 18,080,029	$ 15,964,911	13.25 %
PILOTs	565,348	-	100.00 %
Tuition	789,095	3,563,428	(77.86) %
Earnings on investments/fair value adjustment	(791,107)	46,448	(1,803.21) %
Intergovernmental	15,221,077	14,022,169	8.55 %
Other revenues	295,749	728,616	(59.41) %
Total	$ 34,160,191	$ 34,325,572	(0.48) %
Expenditures			
Instruction	$ 18,806,973	$ 19,681,877	(4.45) %
Support services	11,097,228	10,835,594	2.41 %
Operation of non-instructional services	708	539	31.35 %
Extracurricular activities	695,771	640,589	8.61 %
Facilities acquisition and construction	14,760	1,200	1,130.00 %
Debt service	133,385	-	100.00 %
Total	$ 30,748,825	$ 31,160,999	(1.32) %

Property taxes increased during fiscal year 2022 due to increases in the assessed valuation upon which the 2022 taxes were collected. Earnings on investments decreased due to market fluctuations and the timing of investment purchases. The District holds investments until maturity, so market gains/losses are only realized when the investments mature. Changes in the State funding model resulted in a decrease in tuition revenue and a corresponding increase in intergovernmental revenues.

Instruction expenditures decreased primarily due to the receipt of COVID related grant funding, which allowed certain costs that had been paid in the general fund to be paid by federal grants in the nonmajor governmental funds. The increase in debt service expenditures was a result of the implementation of GASB 87, which reclassified copier payments from support service expenditures to debt service expenditures in fiscal year 2022.

General Fund Budgeting Highlights

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

The District amended the budgeted revenues for the general fund during the year. For the general fund, original budgeted revenues and other financings sources were $35,290,370 and final budgeted revenues and other financings sources were $35,433,763. The actual revenues and other financing sources for fiscal year 2022 totaled $35,470,953 which were $37,190 more than the final budgeted revenues. The District's revenue budget remain relatively stable with no significant changes during the year.

General fund original appropriations (appropriated expenditures including other financing uses) were $37,384,708. The actual budget basis expenditures and other financing uses for fiscal year 2022 totaled $32,901,910 which was $281,858 lower than the final budgeted appropriations of $33,183,768. The receipt of federal grants allowed the District to lower the general fund budget, primarily for regular instructional expenditures.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2022, the District had $35,311,932 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use: leased equipment. This entire amount is reported in governmental activities. The capital assets at June 30, 2021 have been restated as described in Note 3.

The following table shows fiscal year 2022 balances compared to 2021:

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2022	Restated 2021
Land	$ 2,623,557	$ 2,623,557
Construction in progress	-	3,321,167
Land improvements	1,780,862	2,110,160
Building and improvements	28,035,456	25,412,639
Furniture and equipment	1,370,603	1,240,064
Vehicles	1,370,037	1,328,564
Intangible right to use: leased equipment	131,417	262,833
Total	$ 35,311,932	$ 36,298,984

The overall decrease in capital assets of $987,052 is due to depreciation expense of $2,138,766 exceeding capital outlays of $1,171,520 in the fiscal year. The District also had $19,806 in disposals of capital assets, net of accumulated depreciation.

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

Debt Administration

At June 30, 2022, the District had $18,179,448 in certificates of participation and lease liabilities outstanding. Of this total, $1,434,448 is due within one year and $16,745,000 is due in more than one year. The following table summarizes the certificates of participation and leases outstanding. The outstanding debt has been restated as described in Note 3. See Note 14 to the basic financial statements for detail on the District's debt obligations.

Outstanding Debt, at Year End

	Governmental Activities 2022	Restated Governmental Activities 2021
Certificate of participation	$ 18,050,000	$ 19,305,000
Lease obligation	129,448	262,833
Total	$ 18,179,448	$ 19,567,833

Current Financial Related Activities

Consistent with many school districts in Ohio, the Midview Local School District is faced with the challenge of maintaining a high standard of education for our students and services to our community, while striving to remain financially stable. The District relies heavily upon property taxes and state funding as the major sources of revenue. The District continues to exercise careful financial planning and prudent fiscal management in order to manage the resources.

The District placed a levy on the February 2013 ballot, which the community approved for a 10-year period. Both emergency levies will be expiring at the end of calendar year 2023. The District is very appreciative of the community's support and is dedicated to stretching these funds for years into the future.

Due to the unsettled issues in the school funding formula, management is required to plan carefully and prudently to provide the resources to meet student needs over the next several years.

The Midview community has a long history of taking pride in its schools. The Board, administration, and staff are dedicated to working with the community in order to maintain the high standard of education in a safe, effective, and efficient manner. Ultimately the continued success of the District is dependent on the support of the community.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Mike Resar, Treasurer, Midview Local Schools, 13050 Durkee Road, Grafton, Ohio 44044.

MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	$ 37,529,088
Receivables:	
Property taxes	24,331,969
Payment in lieu of taxes	610,695
Accounts	128,591
Accrued interest	29,794
Intergovernmental	95,461
Prepayments	66,497
Materials and supplies inventory	63,212
Net OPEB asset	2,563,254
Capital assets:	
Nondepreciable capital assets	2,623,557
Depreciable capital assets, net	32,688,375
Capital assets, net	35,311,932
Total assets	100,730,493
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	560,008
Pension	8,189,693
OPEB	953,913
Total deferred outflows of resources	9,703,614
Liabilities:	
Accounts payable	260,986
Accrued wages and benefits payable	3,096,150
Intergovernmental payable	71,966
Pension obligation payable	531,503
Accrued interest payable	113,654
Unearned revenue	1,800
Long-term liabilities:	
Due within one year	1,600,582
Due in more than one year:	
Net pension liability	20,442,941
Net OPEB liability	2,540,946
Other amounts due in more than one year	20,307,606
Total liabilities	48,968,134
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	19,351,345
Payment in lieu of taxes levied for the next fiscal year	610,695
Pension	16,226,172
OPEB	4,504,560
Total deferred inflows of resources	40,692,772
Net position:	
Net investment in capital assets	15,773,607
Restricted for:	
Capital projects	6,462,319
Classroom facilities maintenance	1,155,566
Debt service	2,700
State funded programs	92,129
Federally funded programs	1,597
Food service operations	362,179
Student activities	277,267
Other purposes	539,063
Unrestricted (deficit)	(3,893,226)
Total net position	$ 20,773,201

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY, OHIO

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 and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Total
Governmental activities:					
Instruction:					
Regular	$ 16,195,007	$ 430,475	$ 1,339,286	$ -	$ (14,425,246)
Special	4,014,509	390,834	1,287,480	-	(2,336,195)
Vocational	98,027	-	155,192	-	57,165
Other	131,018	-	107,383	-	(23,635)
Support services:					
Pupil	2,692,375	-	1,055,786	-	(1,636,589)
Instructional staff	1,000,860	-	163,499	-	(837,361)
Board of education	124,031	-	-	-	(124,031)
Administration	2,699,606	-	327,021	-	(2,372,585)
Fiscal	812,403	-	25,533	-	(786,870)
Business	46,735	-	-	-	(46,735)
Operations and maintenance	3,365,151	310,040	-	7,752	(3,047,359)
Pupil transportation	1,971,450	-	144,952	-	(1,826,498)
Central	226,338	-	-	-	(226,338)
Operation of non-instructional services:					
Food service operations	1,129,035	76,598	1,584,768	-	532,331
Other non-instructional services	708	-	-	-	(708)
Extracurricular activities	899,043	562,465	4,171	-	(332,407)
Interest and fiscal charges	478,551	-	-	-	(478,551)
Totals	$ 35,884,847	$ 1,770,412	$ 6,195,071	$ 7,752	(27,911,612)

General revenues:	
Property taxes levied for:	
General purposes	19,042,387
Capital outlay	2,139,078
Classroom facilities maintenance	244,658
Payments in lieu of taxes	565,348
Grants and entitlements not restricted to specific programs	13,952,352
Investment earnings and fair value adjustment	(786,059)
Miscellaneous	37,946
Total general revenues	35,195,710
Change in net position	7,284,098
Net position at beginning of year (restated)	13,489,103
Net position at end of year	$ 20,773,201

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash			
and cash equivalents	$ 28,848,667	$ 8,680,421	$ 37,529,088
Receivables:			
Property taxes	21,907,659	2,424,310	24,331,969
Payment in lieu of taxes	610,695	-	610,695
Accounts	9,488	119,103	128,591
Accrued interest	29,794	-	29,794
Interfund loans	15,000	-	15,000
Intergovernmental	51,059	44,402	95,461
Prepayments	65,885	612	66,497
Materials and supplies inventory	41,544	21,668	63,212
Total assets	$ 51,579,791	$ 11,290,516	$ 62,870,307
Liabilities:			
Accounts payable	$ 178,041	$ 82,945	$ 260,986
Accrued wages and benefits payable	2,787,577	308,573	3,096,150
Compensated absences payable	81,353	-	81,353
Intergovernmental payable	65,927	6,039	71,966
Pension obligation payable	467,386	64,117	531,503
Interfund loans payable	-	15,000	15,000
Unearned revenue	1,800	-	1,800
Total liabilities	3,582,084	476,674	4,058,758
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	17,386,269	1,965,076	19,351,345
Payment in lieu of taxes levied for the next fiscal year	610,695	-	610,695
Delinquent property tax revenue not available	2,287,848	190,181	2,478,029
Intergovernmental revenue not available	-	44,402	44,402
Accrued interest not available	9,950	-	9,950
Miscellaneous revenue not available	3,277	110,643	113,920
Total deferred inflows of resources	20,298,039	2,310,302	22,608,341
Fund balances:			
Nonspendable:			
Materials and supplies inventory	41,544	21,668	63,212
Prepaids	65,885	612	66,497
Restricted:			
Debt service	-	2,700	2,700
Capital improvements	-	6,271,288	6,271,288
Classroom facilities maintenance	-	1,155,566	1,155,566
Food service operations	-	430,933	430,933
State funded programs	-	92,129	92,129
Extracurricular	-	277,191	277,191
Other purposes	-	539,063	539,063
Assigned:			
Student instruction	216,969	-	216,969
Student and staff support	534,622	-	534,622
Extracurricular activities	47	-	47
Facilities acquisition and construction	1,640	-	1,640
Other purposes	29,752	-	29,752
Unassigned (deficit)	26,809,209	(287,610)	26,521,599
Total fund balances	27,699,668	8,503,540	36,203,208
Total liabilities, deferred inflows and fund balances	$ 51,579,791	$ 11,290,516	$ 62,870,307

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY, OHIO

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

Total governmental fund balances		$ 36,203,208
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		35,311,932
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 2,478,029	
Accounts receivable	113,920	
Accrued interest receivable	9,950	
Intergovernmental receivable	44,402	
Total		2,646,301
Unamortized premiums on bonds issued are not recognized in the funds.		(1,918,885)
Unamortized amounts on refundings are not recognized in the funds.		560,008
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(113,654)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	8,189,693	
Deferred inflows - pension	(16,226,172)	
Net pension liability	(20,442,941)	
Deferred outflows - OPEB	953,913	
Deferred inflows - OPEB	(4,504,560)	
Net OPEB asset	2,563,254	
Net OPEB liability	(2,540,946)	
Total		(32,007,759)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Certificates of Participation	(18,050,000)	
Lease obligations	(129,448)	
Compensated absences	(1,713,502)	
Asset retirement obligations	(15,000)	
Total		(19,907,950)
Net position of governmental activities		$ 20,773,201

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property taxes	$ 18,080,029	$ 2,307,369	$ 20,387,398
Intergovernmental	15,221,077	4,869,052	20,090,129
Investment earnings and fair value adjustment	(791,107)	8,177	(782,930)
Tuition and fees	789,095	25,583	814,678
Extracurricular	249,782	314,867	564,649
Rental income	6,927	185,004	191,931
Charges for services	4,371	76,598	80,969
Contributions and donations	-	19,162	19,162
Payment in lieu of taxes	565,348	-	565,348
Miscellaneous	34,669	114,344	149,013
Total revenues	34,160,191	7,920,156	42,080,347
Expenditures:			
Current:			
Instruction:			
Regular	14,858,274	1,753,437	16,611,711
Special	3,815,206	580,475	4,395,681
Vocational	108,054	-	108,054
Other	25,439	114,345	139,784
Support services:			
Pupil	2,204,988	661,161	2,866,149
Instructional staff	761,179	274,931	1,036,110
Board of education	121,327	3,750	125,077
Administration	2,576,165	351,278	2,927,443
Fiscal	816,586	47,841	864,427
Business	54,687	-	54,687
Operations and maintenance	2,604,182	231,727	2,835,909
Pupil transportation	1,900,849	140,146	2,040,995
Central	57,265	192,335	249,600
Operation of non-instructional services:			
Food service operations	-	1,168,964	1,168,964
Other non-instructional services	708	-	708
Extracurricular activities	695,771	264,486	960,257
Facilities acquisition and construction	14,760	1,217,390	1,232,150
Debt service:			
Principal retirement	133,385	1,255,000	1,388,385
Interest and fiscal charges	-	639,638	639,638
Total expenditures	30,748,825	8,896,904	39,645,729
Excess of revenues over (under) expenditures	3,411,366	(976,748)	2,434,618
Other financing sources (uses):			
Sale of assets	-	19,387	19,387
Transfers in	-	1,106,000	1,106,000
Transfers (out)	(1,106,000)	-	(1,106,000)
Total other financing sources (uses)	(1,106,000)	1,125,387	19,387
Net change in fund balances	2,305,366	148,639	2,454,005
Fund balances at beginning of year (restated)	25,394,302	8,354,901	33,749,203
Fund balances at end of year	$ 27,699,668	$ 8,503,540	$ 36,203,208

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds		$ 2,454,005
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	$ 1,171,520	
Current year depreciation	(2,138,766)	
Total		(967,246)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(19,806)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	1,038,725	
Earnings on investments	5,048	
Miscellaneous revenue	113,920	
Intergovernmental	(69,095)	
Total		1,088,598
Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		1,388,385
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
(Increase) decrease in accrued interest payable	5,642	
Amortization of bond premiums	219,752	
Amortization of deferred charges	(64,307)	
Total		161,087
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	2,864,348	
OPEB	72,464	
Total		2,936,812
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	59,822	
OPEB	192,687	
Total		252,509
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(10,246)
Change in net position of governmental activities		$ 7,284,098

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY, OHIO

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property taxes	$ 17,766,562	$ 18,458,896	$ 18,458,896	$ -
Intergovernmental	13,015,414	15,336,341	15,305,006	(31,335)
Investment earnings	99,202	57,977	95,302	37,325
Tuition and fees	3,487,793	690,747	741,454	50,707
Extracurricular	201,508	177,543	178,258	715
Rental income	-	6,808	6,927	119
Charges for services	466	3,699	4,121	422
Payment in lieu of taxes	694,506	679,567	656,333	(23,234)
Miscellaneous	9,919	7,185	9,656	2,471
Total revenues	35,275,370	35,418,763	35,455,953	37,190
Expenditures:				
Current:				
Instruction:				
Regular	18,068,441	15,045,648	15,025,476	20,172
Special	4,039,657	3,893,729	4,042,634	(148,905)
Vocational	136,067	114,353	109,988	4,365
Other	1,291,513	154,959	147,651	7,308
Support services:				
Pupil	2,092,266	2,117,619	2,199,587	(81,968)
Instructional staff	980,622	832,126	855,307	(23,181)
Board of education	311,648	196,313	134,408	61,905
Administration	2,503,061	2,557,369	2,612,003	(54,634)
Fiscal	833,359	1,196,413	848,839	347,574
Business	65,964	72,746	53,190	19,556
Operations and maintenance	2,832,948	2,845,004	2,814,739	30,265
Pupil transportation	1,950,120	1,975,976	2,018,280	(42,304)
Central	41,468	41,985	52,111	(10,126)
Operation of non-instructional services:				
Other non-instructional services	693	500	708	(208)
Extracurricular activities	635,634	671,285	604,931	66,354
Facilities acquisition and construction	1,247	1,195	16,400	(15,205)
Total expenditures	35,784,708	31,717,220	31,536,252	180,968
Excess (deficiency) of revenues over (under) expenditures	(509,338)	3,701,543	3,919,701	218,158
Other financing sources (uses):				
Transfers (out)	(1,500,000)	(1,451,548)	(1,350,658)	100,890
Advances in	15,000	15,000	15,000	-
Advances (out)	(100,000)	(15,000)	(15,000)	-
Total other financing sources (uses)	(1,585,000)	(1,451,548)	(1,350,658)	100,890
Net change in fund balance	(2,094,338)	2,249,995	2,569,043	319,048
Fund balance at beginning of year	25,393,197	25,393,197	25,393,197	-
Prior year encumbrances appropriated	515,921	515,921	515,921	-
Fund balance at end of year	$ 23,814,780	$ 28,159,113	$ 28,478,161	$ 319,048

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Custodial
Additions:	
Extracurricular collections for OHSAA	$ 7,174
Total additions	7,174
Deductions:	
Extracurricular distributions to OHSAA	7,174
Total deductions	7,174
Change in net position	-
Net position at beginning of year	-
Net position at end of year	$ -

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE DISTRICT

The Midview Local School District (the "District") is located in Lorain County in Northern Ohio. The District includes the townships of Eaton, Carlisle and Grafton and the Village of Grafton, covering approximately 64 square miles.

The District was organized in accordance with Sections 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four year terms.

The District currently operates three elementary schools, one middle school, and one comprehensive high school. The District employs 131 non-certified and 197 certified (including administrative) full-time and part-time employees to provide services to approximately 2,819 students in grades K through 12 and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. Component units are legally separate organizations for which the District is financially accountable.

The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization or the District is obligated for the debt of the organization.

Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes for the organization. The financial statements of the reporting entity include only those of the District (the primary government). The District has no component units.

The District participates in four jointly governed organizations and is associated with one related organization.

The District is not involved in the budgeting or the management of Parent-Teacher Organizations, booster clubs or the Midview Endowment Fund. The District is also not responsible for any debt and has no influence over these organizations, clubs or Fund.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

JOINTLY GOVERNED ORGANIZATIONS

Lake Erie Regional Council
The Lake Erie Regional Council (LERC) is a jointly governed organization among 11 school districts. LERC was formed for the purpose of promoting cooperative agreements and activities among its members in dealing with problems of mutual concern. Each member provides operating resources to LERC on a per pupil or actual usage charge (except for insurance). The LERC assembly consists of a superintendent or designated representative from each participating district and the fiscal agent. LERC is governed by a board of directors chosen from the general membership. The degree of control exercised by any participating district is limited to its representation on the board. Financial information is available from the Treasurer of the Educational Service Center of Lorain County, located at 1885 Lake Avenue, Elyria, Ohio 44035. During fiscal year 2022, the District paid $4,184,478 (including insurance premiums) to LERC.

Lorain County Joint Vocational School District
The Lorain County Joint Vocational School District (JVS) is a separate body politic and corporate, established by the Ohio Revised Code to provide for the vocational and special education needs of its students. The Board of the JVS is comprised of representatives from each participating district, and is responsible for approving its own budgets, appointing personnel, and accounting and financing-related activities. The District's students may attend the JVS on a tuition-free basis. Each district's control is limited to its representation on the board. Financial information is available from the Treasurer of the Lorain County Joint Vocational School District, 15181 State Route 58, Oberlin, Ohio 44074.

Connect
The governing Board of Directors, the Educational Service Centers (ESC) of Cuyahoga, Lorain and Medina County and the Ohio Schools Council, accepted the ownership, responsibility and liability of Connect in order to provide exemplary service to member districts. Each of the governments of these districts supports Connect based upon a per pupil charge, dependent upon the software package utilized. The superintendent/executive director of the three ESCs and Ohio Schools Council serve on Connect's Board of Directors. The purpose of Connect is applying modern technology (with the aid of computers and other electronic equipment) to administrative and instructional functions for member districts. Fiscal information for Connect is available from the Treasurer of the Educational Service Center of Northeast Ohio (fiscal agent), located at 6393 Oak Tree Boulevard, Independence, Ohio 44131. During the year ended June 30, 2022, the District paid $112,510 to Connect for basic service charges.

Ohio Schools' Council
The Ohio Schools' Council (the "Council") is a jointly governed organization among 254 school districts, educational service centers, joint vocational districts and Developmental Disabilities boards. The jointly governed organization was created for the purpose of saving money through volume purchases. Each member supports the Council by paying an annual participation fee. Each member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the "Council Board"). The Council Board is the policy making authority of the Council. The Council Board meets monthly September to June. The Council Board appoints the Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Council Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2022, the District paid $154,510 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Blvd, Suite 377, Independence, Ohio 44131.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District participates in the Council's prepaid natural gas program. This program allows school districts to purchase natural gas at reduced rates. Constellation New Energy (Formerly Compass) is the natural gas supplier and program manager. There are currently 165 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

RELATED ORGANIZATION

The Grafton-Midview Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Midview Local School District Board of Education. The Board possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Financial information can be obtained by contacting the Fiscal Officer at the Grafton-Midview Public Library at 983 Main Street, Grafton, Ohio, 44044.

GROUP RATING PROGRAM

The District participates in the Ohio Association of School Business Officials. The Group Rating Plan's (GRP) business and affairs are conducted by CompManagement Inc. CompManagement Inc. serves as the coordinator of the program. Each year, the participating school districts pay an enrollment fee to CompManagement Inc. GRP to cover the costs of administering the program.

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no proprietary funds

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no trust funds. The District has one custodial fund to account for costs related to Ohio High School Athletic Association tournaments.

C. 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, except for fiduciary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used. The internal service fund operating activity is eliminated to avoid overstatement of revenues and expenses. The statements distinguish between governmental and business-type activities of the District.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation, with brief explanations, to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

D. Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

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

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

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

Unearned Revenue

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements that report net position may include a section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources are reported for deferred charges on refunding, for pension and OPEB in the Statements of Net Position. The deferred outflows of resources related to pension and OPEB are explained in Note 10 and Note 11.

In addition to liabilities, the statements that report net position may include a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes, unavailable revenue, OPEB and pension. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes delinquent property taxes, interest, and intergovernmental grants and tuition. 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 in the Statements of Net Position (Note 10 and 11).

Expenses/Expenditures

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

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

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. The specific timetable for fiscal year 2022 is as follows:

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

2. By no later than January 15, the Board-adopted budget is filed with the Lorain County Budget Commission for tax rate determination.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 2022.

4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures for all funds, which is the legal level of budgetary control (state statute permits a temporary appropriation to be effective until no later than October 1 of each year). Although the legal level of budgetary control was established at the fund level of expenditures for the general fund, the District has elected to present its respective budgetary statement comparison at the fund and function level of expenditures. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.

5. All funds, other than agency funds, are legally required to be budgeted and appropriated. Short-term inter-fund loans are not required to be budgeted since they represent a temporary cash flow resource, and are intended to be repaid.

6. Any revisions that alter the legal level of budgetary control for a fund must be approved by the Board of Education.

7. Formal budgetary integration is employed as a management control device during the year for all funds, consistent with the general obligation bond indenture and other statutory provisions.

8. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocate or increase the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal 2022.

9. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be re-appropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the legal level of budgetary control for the fund.

F. Cash and Cash Equivalents

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as “equity in pooled cash and cash equivalents” on the financial statements. During fiscal year 2022, investments were limited to money market accounts, negotiable certificates of deposit, commercial paper, United States government securities and State Treasury Asset Reserve of Ohio (STAR Ohio).

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposits, commercial paper and repurchase agreements are reported at cost.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During fiscal year 2022, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $100 million. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio Statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2022 was a deficit of $791,107 due to the fair value adjustment on District investments.

Aside from investments clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from the valuation will be recognized within the general fund to the extent its cash and investments balance exceeds the cumulative value of those investments subject to GASB Statement No. 31. If there is a gain/loss resulting from the valuation it will be reported within the investment earnings/fair value adjustment on the Statement of Activities.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

G. Inventory

Purchased inventories are presented at cost on a first-in, first-out basis and are expended/expenses when used. Inventory consists of purchased food, school supplies held for resale, and materials and supplies for consumption.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure /expense is reported in the fiscal year in which services are consumed.

I. Capital Assets

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and disposals during the year. Donated fixed assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of $3,000 The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

Description	Governmental Activities Estimated Lives
Land Improvements	3-40 years
Buildings and Improvements	2-40 years
Furniture and Equipment	3-20 years
Vehicles	8-20 years
Intangible right to use - equipment	5 years

The District is reporting intangible right to use assets related to leased equipment. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Compensated Absences

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

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) benefits. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2022, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future, all employees at least 50 years of age with 5 years of service, at least 45 years of age with 15 years of service or any age with at least 20 years of service, were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2022 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

L. Accrued Liabilities and Long-term Obligations

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

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

M. Pensions/Other Postemployment Benefits (OPEB)

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

N. Net Position

Net position represents the difference between assets, liabilities and deferred outflows/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. The amount restricted for other purposes represents amounts restricted for other grants, classroom facilities maintenance, data communications, student wellness and success, miscellaneous state grants, and miscellaneous federal grants.

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

O. Fund Balance

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Assigned: Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education. Through the District's purchasing policy, the Board has given the Treasurer the authority to constrain monies for intended purposes.

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

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

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales and miscellaneous for food service. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. Revenues and expenditures not meeting this definition are reported as non-operating.

Q. Interfund Activity

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

Interfund activity between governmental funds is eliminated in the statement of activities.

R. Estimates

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. 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 Board of Education and that are either unusual in nature or infrequent in occurrence. The District did not have any extraordinary or special items during fiscal year 2022.

T. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans between governmental funds are classified as "interfund loan receivable/payable". These amounts are eliminated in the governmental activities column on the statement of net position.

U. Fair Value

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2022, the District has implemented GASB Statement No. 87, "*Leases*", GASB Implementation Guide 2019-3, "*Leases*", GASB Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*", GASB Implementation Guide 2020-1, "*Implementation Guide Update - 2020*", GASB Statement No. 92, "*Omnibus 2020*", GASB Statement No. 93, "*Replacement of Interbank Offered Rates*", 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 paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

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

These changes were incorporated in the District's fiscal year 2022 financial statements. The District recognized $262,833 in governmental activities in leases payable at July 1, 2021; however, this entire amount was offset by the intangible asset, right to use lease - equipment.

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the District.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE (Continued)

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the District.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the District.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the District.

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

GASB Statement No. 99 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at December 31, 2022 included the following individual fund deficits:

Nonmajor funds	Deficit
Student Wellness and Success	$ 3,763
ESSER	123,210
IDEA Part B	98,115
Title I	53,676
Title II-A	8,041
Title IV-A	805

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE (Continued)

C. Fund Reclassification / Restatement of Fund Balance and Net Position

The District reclassified the food service fund from an enterprise fund to a non-major governmental fund as of July 1, 2021. The governmental activities, business type activities, enterprise net position and governmental funds fund balance have been restated as follows

	Governmental Activities	Business-Type Activities	Total
Net position as previously reported	$ 14,434,785	$ (945,682)	$ 13,489,103
Reclassification of food service fund	(945,682)	945,682	-
Restated net position at July 1, 2021	$ 13,489,103	$ -	$ 13,489,103

	Governmental Funds	Enterprise Fund
Fund balances/net position as previously reported	$ 33,788,392	$ (945,682)
Reclassification of food service fund	(39,189)	945,682
Restated fund balance/net position at July 1, 2021	$ 33,749,203	$ -

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

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

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

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

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

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

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

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 until maturity.

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

A. Deposits

Custodial Credit Risk is the risk that in the event of bank failure, the District's deposits may not be returned to it.

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

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

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

At year-end, the carrying amount of all District's deposits was $2,750,605. At year-end $2,685,030 of the District's total bank balance was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the District's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 60% resulting in the uninsured and uncollateralized balance. The District also has $300 in petty cash on hand.

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

B. Investments

Investments are reported at measurement value. As of June 30, 2022, the District had the following investments:

		Investment Maturities				
Measurement/ Investment type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair Value:						
FHLB	$ 3,760,884	$ -	$ 243,450	$ -	$ 532,183	$ 2,985,251
FFCB	2,499,600	-	489,595	338,148	239,273	1,432,584
FMCC	1,130,279	-	-	212,699	-	917,580
FNMA	492,772	-	-	239,550	-	253,222
U.S. Government Money Market	145,559	145,559	-	-	-	-
U.S. Treasury Bonds	1,086,499	-	244,102	72,586	237,275	532,536
U.S. Treasury Notes	9,219,854	-	1,271,047	1,808,807	1,764,137	4,375,863
Commercial Paper	1,952,987	718,567	1,234,420	-	-	-
Negotiable CDs	1,211,038	492,185	194,635	194,796	94,416	235,006
Amortized Cost:						
STAR Ohio	13,278,711	13,278,711	-	-	-	-
Total	$ 34,778,183	$ 14,635,022	$ 3,677,249	$ 2,866,586	$ 2,867,284	$ 10,732,042

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 has the following recurring fair value measurements as of June 30, 2022:

- STAR Ohio is measured at amortized cost, which approximates fair value. At June 30, 2022, the average days to maturity was 41.5 days.
- FHLB, FFCB, FMCC, FNMA and commercial paper are measured based on Level 2 inputs, using matrix pricing.
- Negotiable certificates of deposit are measured based on Level 2 inputs, using matrix pricing.
- Money market is valued at amortized cost, which approximates fair value. (Level 1)

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The District's investment policy addresses interest rate risk requiring that the District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The District investment policy also limits security purchases to those that mature within five years unless specifically matched to a specific cash flow. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2% and be marked to market daily.

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the District must meet a set of prescribed standards and be periodically reviewed. The District has no investment policy dealing with custodial credit risk beyond the requirements of State statute which prohibit payment for investments prior to the delivery of the securities representing the investments to the treasurer or qualified trustee.

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk is addressed by the District's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that the portfolio be diversified both by types of investment and issuer. The FHLB, FFCB and FHLMC securities all carry a rating of AA+ by Standard and Poor’s. The commercial paper carries a rating of A1 by Standard and Poor’s. STAR Ohio carries a rating AAAm by Standard & Poor's and the money market carries a rating of AAAm by Standard & Poor’s. The negotiable certificates of deposit are unrated.

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The District's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the District’s allocation as of June 30, 2022:

Measurement/ Investment type	Measurement Value	% of Total
Fair Value:		
FHLB	$ 3,760,884	10.81
FFCB	2,499,600	7.19
FMCC	1,130,279	3.25
FNMA	492,772	1.42
U.S. Government Money Market	145,559	0.42
U.S. Treasury Bonds	1,086,499	3.12
U.S. Treasury Notes	9,219,854	26.51
Commercial Paper	1,952,987	5.62
Negotiable CDs	1,211,038	3.48
Amortized Cost:		
STAR Ohio	13,278,711	38.18
Total	$ 34,778,183	100.00

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

The following is a reconciliation of cash as reported in the note above to cash as reported on the statement of net position as of June 30, 2022:

Cash and investments per note	
Carrying amount of deposits	$ 2,750,605
Cash on hand	300
Investments	34,778,183
Total	$ 37,529,088
Cash and cash equivalents per financial statements	
Governmental activities	$ 37,529,088

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

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

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING – (Continued)

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

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

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

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

(d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,

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

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

Net Change in Fund Balance

	General fund
Budget basis	$ 2,569,043
Net adjustment for revenue accruals	(1,403,374)
Net adjustment for expenditure accruals	98,254
Net adjustment for other sources/uses	244,658
Funds budgeted elsewhere	23,194
Adjustment for encumbrances	773,591
GAAP basis	$ 2,305,366

NOTE 6 - RECEIVABLES

Receivables at June 30, 2022 consisted of taxes, payments in lieu of taxes, accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

NOTE 6 – RECEIVABLES – (Continued)

Governmental activities:	
Taxes	$ 24,331,969
Payments in lieu of taxes	610,695
Accrued interest	29,794
Accounts	128,591
Intergovernmental	95,461
Total	$ 25,196,510

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

NOTE 7 – PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2022 represent the collection of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed values as of January 1, 2021, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2022 represent the collection of calendar year 2021 taxes. Public utility real and personal property taxes received in calendar year 2022 became a lien on December 31, 2020, were levied after April 1, 2021, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Lorain County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2022, are available to finance fiscal year 2022 operations. The amount available as an advance at June 30, 2022 was $2,233,542 in the general fund and $269,052 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2021 was $2,367,751 in the general fund and $270,337 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property, and delinquent tangible personal property taxes which are measurable as of June 30, 2022 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

NOTE 7 – PROPERTY TAXES (Continued)

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/residential and other real estate	$ 521,411,660	92.04	$ 605,947,910	88.25
Public utility personal	82,622,480	7.96	80,676,320	11.75
Total	$ 604,034,140	100.00	$ 686,624,230	100.00
Tax rate per $1,000 of assessed valuation	$53.88		$52.56	

NOTE 8 – INTERFUND TRANSACTIONS

A. Interfund transfers for the fiscal year ended June 30, 2022, consisted of the following, as reported on the fund statements:

Transfers from the general fund to:	Amount
Nonmajor governmental funds	$ 1,106,000

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated for reporting in the statement of activities.

B. Interfund loans receivable/payable consisted of the following at June 30, 2022, as reported on the fund financial statements:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental funds	$ 15,000

The primary purpose of the interfund balances is to cover the costs in specific funds where revenues were not received by June 30. The interfund balances will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

NOTE 9 – CAPITAL ASSETS

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the District has reported obligations for leases payable which are reflected in the schedule below. In addition, certain capital assets were reclassified from business-type activities to governmental activities (See Note 3.C for detail). Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Restated Balance June 30, 2021	Additions	Deductions	Balance June 30, 2022
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 2,623,557	$ -	$ -	$ 2,623,557
Construction in progress	3,321,167	520,832	(3,841,999)	-
Total capital assets, not being depreciated	5,944,724	520,832	(3,841,999)	2,623,557
Capital assets, being depreciated:				
Land improvements	7,988,147	-	-	7,988,147
Buildings and improvements	49,549,848	3,918,859	-	53,468,707
Furniture and equipment	6,590,566	436,927	(19,978)	7,007,515
Vehicles	2,981,763	136,901	(119,457)	2,999,207
Intangible right to use asset	262,833	-	-	262,833
Total capital assets, being depreciated	67,373,157	4,492,687	(139,435)	71,726,409
Less: accumulated depreciation:				
Land improvements	(5,877,987)	(329,298)	-	(6,207,285)
Buildings and improvements	(24,137,209)	(1,296,042)	-	(25,433,251)
Furniture and equipment	(5,350,502)	(305,926)	19,516	(5,636,912)
Vehicles	(1,653,199)	(76,084)	100,113	(1,629,170)
Intangible right to use asset	-	(131,416)	-	(131,416)
Total accumulated depreciation	(37,018,897)	(2,138,766)	119,629	(39,038,034)
Governmental activities capital assets, net	$ 36,298,984	$ 2,874,753	$ (3,861,805)	$ 35,311,932

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 1,210,270
Special	1,043
Vocational	2,443
Support services:	
Instructional staff	21,628
Administration	138,859
Operations and maintenance	678,474
Pupil transportation	59,406
Extracurricular activities	19,204
Food service operations	7,439
Total depreciation expense	$ 2,138,766

NOTE 10 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

The net pension liability/asset and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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 obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2021, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2022.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% 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 10.00% for plan members and 14.00% 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 14.00%. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was $638,885 for fiscal year 2022. Of this amount, $60,748 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0% to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 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 of their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2022 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2022, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was $2,225,463 for fiscal year 2022. Of this amount, $381,484 is reported as pension and postemployment benefits payable.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Proportion of the net pension liability prior measurement date	0.127426500%	0.120035300%	
Proportion of the net pension liability current measurement date	0.132769800%	0.121572367%	
Change in proportionate share	0.005343300%	0.001537067%	
Proportionate share of the net pension liability	$ 4,898,821	$ 15,544,120	$ 20,442,941
Pension expense	$ 2,657	$ (62,479)	$ (59,822)

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	$ 473	$ 480,241	$ 480,714
Changes of assumptions	103,155	4,312,218	4,415,373
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	202,273	226,985	429,258
Contributions subsequent to the measurement date	638,885	2,225,463	2,864,348
Total deferred outflows of resources	$ 944,786	$ 7,244,907	$ 8,189,693

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 127,047	$ 97,429	$ 224,476
Net difference between projected and actual earnings on pension plan investments	2,523,037	13,396,059	15,919,096
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	4,320	78,280	82,600
Total deferred inflows of resources	$ 2,654,404	$ 13,571,768	$ 16,226,172

$2,864,348 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	$ (498,329)	$ (2,161,945)	$ (2,660,274)
2024	(475,869)	(1,830,269)	(2,306,138)
2025	(599,887)	(1,957,626)	(2,557,513)
2026	(774,418)	(2,602,484)	(3,376,902)
Total	$ (2,348,503)	$ (8,552,324)	$(10,900,827)

Actuarial Assumptions - SERS

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

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

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.50%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.50% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.50%
Actuarial cost method	Entry age normal (level percent of payroll)

In 2021, 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% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(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 Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

Discount Rate - The total pension liability was calculated using the discount rate of 7.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 8,150,434	$ 4,898,821	$ 2,156,593

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

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

	June 30, 2021	June 30, 2020
Inflation	2.50%	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.45%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.45%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2021, actuarial valuation, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. 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 Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit 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 net pension liability as of June 30, 2021, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 29,108,319	$ 15,544,120	$ 4,082,401

Changes Between Measurement Date and Reporting Date - STRS approved a one-time 3.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2022. It is unknown what the effect this change will have on the net pension liability.

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

Plan Description - School Employees Retirement System (SERS)

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

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2022, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the District's surcharge obligation was $72,464.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $72,464 for fiscal year 2022. Of this amount, $72,464 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. The Medicare Part B monthly reimbursement elimination date was postponed 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% of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

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

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Proportion of the net OPEB liability/asset prior measurement date	0.126770000%	0.120035000%	
Proportion of the net OPEB liability/asset current measurement date	0.134258200%	0.121572367%	
Change in proportionate share	0.007488200%	0.001537367%	
Proportionate share of the net OPEB liability	$ 2,540,946	$ -	$ 2,540,946
Proportionate share of the net OPEB asset	$ -	$ (2,563,254)	$ (2,563,254)
OPEB expense	$ (13,785)	$ (178,902)	$ (192,687)

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	$ 27,086	$ 91,273	$ 118,359
Changes of assumptions	398,615	163,729	562,344
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	191,217	9,529	200,746
Contributions subsequent to the measurement date	72,464	-	72,464
Total deferred outflows of resources	$ 689,382	$ 264,531	$ 953,913

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 1,265,506	$ 469,638	$ 1,735,144
Net difference between projected and actual earnings on OPEB plan investments	55,204	710,489	765,693
Changes of assumptions	347,960	1,529,169	1,877,129
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	122,393	4,201	126,594
Total deferred inflows of resources	$ 1,791,063	$ 2,713,497	$ 4,504,560

$72,464 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2023.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (275,865)	$ (699,997)	$ (975,862)
2024	(276,252)	(682,216)	(958,468)
2025	(272,998)	(670,032)	(943,030)
2026	(232,277)	(298,394)	(530,671)
2027	(106,092)	(100,783)	(206,875)
Thereafter	(10,661)	2,456	(8,205)
Total	$ (1,174,145)	$ (2,448,966)	$ (3,623,111)

Actuarial Assumptions - SERS

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

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

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.50% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	1.92%
Prior measurement date	2.45%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	2.27%
Prior measurement date	2.63%
Medical trend assumption:	
Current measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%
Prior measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%

In 2021, 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% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 2015 through 2020 and was adopted by the Board in 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 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%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 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 Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.27%. The discount rate used to measure total OPEB liability prior to June 30, 2021 was 2.63%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% 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% at June 30, 2021 and 2.45% at June 30, 2020.

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, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate (6.75% decreasing to 4.40%).

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 3,148,540	$ 2,540,946	$ 2,055,557

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 1,956,321	$ 2,540,946	$ 3,321,827

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, compared with June 30, 2020, are presented below:

	June 30, 2021		June 30, 2020	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.00%	4.00%	5.00%	4.00%
Medicare	-16.18%	4.00%	-6.69%	4.00%
Prescription Drug				
Pre-Medicare	6.50%	4.00%	6.50%	4.00%
Medicare	29.98%	4.00%	11.87%	4.00%

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

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

Actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Benefit Term Changes Since the Prior Measurement Date - The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. 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 CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

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

Discount Rate **-** The discount rate used to measure the total OPEB asset was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs 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 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%, 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%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 2,162,990	$ 2,563,254	$ 2,897,614

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 2,884,066	$ 2,563,254	$ 2,166,540

NOTE 12 – OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation, personal leave, sick leave, and compensatory time components are derived from negotiated agreements and state laws. Classified employees and administrators earn 10 to 25 days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated with no maximum. Upon retirement, payment is made for 25% of the total sick leave accumulation, up to a maximum accumulation of 340 days for certified employees. For administrators, payment is made for 25% of the total sick leave accumulation, up to a maximum accumulation of 340 days. For classified employees, the payment is made for 25% of the first 100 days accumulated; 35% for days 101- 250; and 50% for days 251-351. An employee receiving such payment must meet the retirement provisions set by STRS or SERS.

B. Life Insurance

The District provides life insurance and accidental death and dismemberment insurance to most employees through Ohio Schools' Council Association. The amounts provided for all employees equal the employee's annual salary times two up to a limit of $250,000.

NOTE 13 – RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2022, the District has contracted with Schools of Ohio Risk Sharing Authority (Agent: CF Risk & Insurance LLC) for property and general liability insurance. Professional liability is provided by Schools of Ohio Risk Sharing Authority with a $17,000,000 aggregate limit.

Vehicles are covered by the Schools of Ohio Risk Sharing Authority. Automobile liability has a $15,000,000 combined single limit of liability.

Performance bonds of $50,000 are maintained for the treasurer by the Hylant Group.

Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in insurance coverage from the prior year.

NOTE 13 – RISK MANAGEMENT - (Continued)

B. Workers' Compensation

For fiscal year 2022, the District participated in the Ohio Association of School Business Officials Group Rating Plan (GRP). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation premiums are reduced by virtue of the GRP discount. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. The firm CompManagement Inc. provides administrative, cost control and actuarial services to the GRP.

C. Medical

The District has joined the Lake Erie Regional Council (LERC) to provide medical, dental and vision benefits for its employees and their covered dependents. LERC is a shared risk pool or consortium comprised of thirteen school districts within Lorain County. The participating districts pay monthly contributions that are placed in a common fund, from which eligible claims and expenses are paid for employees (and their covered dependents) of participating school districts. Claims are paid for all participants regardless of claims flow. This plan contains a stop-loss provision of $350,000 per participant.

Premium contributions are determined annually based on the claims experience of the shared risk-pool. Premiums can only be increased or decreased as approved by council. Member districts may become liable for additional contributions to fund the liability of the pool. In the event of termination, all participating districts' claims would be paid without regard to their individual account balances. This plan provides a medical, dental and vision plan with a $1,000 deductible for family coverage and $500 deductible for single coverage. There is the opportunity for members to reduce their share of the premium amount through a wellness incentive.

NOTE 14 – LONG TERM LIABILITES

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the District has reported obligations for leases payable which are reflected in the schedule below. In addition, certain capital assets were reclassified from business-type activities to governmental activities (See Note 3.C for detail). Changes in long-term debt activity for the year ended June 30, 2022 was as follows:

NOTE 14 – LONG TERM LIABILITES – (Continued)

	Restated Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due in One Year
Governmental Activities:					
Certificates of participation	$ 6,435,000	$ -	$ (185,000)	$ 6,250,000	$ 190,000
Refunding certificates of participation	12,870,000	-	(1,070,000)	11,800,000	1,115,000
Asset retirement obligation	15,000	-	-	15,000	-
Lease payable	262,833	-	(133,385)	129,448	129,448
Net pension liability	37,472,529	-	(17,029,588)	20,442,941	-
Net OPEB liability	2,755,119	-	(214,173)	2,540,946	-
Compensated absences	1,703,254	301,854	(210,253)	1,794,855	166,134
Total Governmental Activities	$ 61,513,735	$ 301,854	$ (18,842,399)	$ 42,973,190	$ 1,600,582
Add: Unamortized premium on certificates of participation				1,918,885	
Total on Statement of Net Position				$ 44,892,075	

The District pays obligations related to employee compensation from the fund receiving the benefit, primarily the general fund and the food service fund (a nonmajor governmental fund).

Certificates of Participation – In April 2003, the District entered into an agreement with the Lorain County Port Authority for three new schools. The annual agreement is subject to renewal for 27 years through December 30, 2030. In April 2004, the District entered into a second agreement with the Lorain County Port Authority for the three new schools. This annual agreement is subject to renewal for 26 years through November 1, 2030. On November 2, 2012, the District refunded these certificates of participation.

On November 2, 2012, the District issued $22,595,000 in certificates of participation (“series 2012 certificates”) for the purpose of advance refunding certificates of participation outstanding in order to take advantage of lower interest rates. The interest rates range from 3.0% to 4.0%. The series 2012 certificates were sold at a premium of $308,623. Proceeds of $22,434,891 and cash reserves of $2,003,101 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the certificates of participation. On February 20, 2020, the District placed $15,813,831 into an irrevocable trust to refund these certificates of participation. On April 16, 2020, the escrow proceeds and interest of $24,263 were used to call the certificates of participation.

On February 20, 2020, the District issued $14,095,000 in certificates of participation (“2020 refunding case certificates”) for the purpose of currently refunding certificates of participation outstanding in order to take advantage of lower interest rates. The interest rate is 4.0%.

In March 2020, the District entered into a financing agreement with the Ohio School Building Lease Corporation for construction and improvements to facilities. The agreement term is through November 1, 2045.

The Leasing Corporation entered into an agreement with a trustee through which it assigned and transferred rights and interest under the agreement to the Huntington National Bank as Trustee. The Trustee issued Certificates of Participation in the agreement enabling holders of the Certificates to receive a portion of the semi-annual rental payments. Proceeds from the issuance are to be used for construction and improvements to facilities.

The obligation of the District under the agreement and any subsequent agreement renewal is subject to annual appropriation of the rental payments. Legal title to the facilities remains with the Huntington National Bank, i.e., the leasing corporation, until all payments required under the lease have been made. At that time, title will transfer to the District.

NOTE 14 – LONG TERM LIABILITES (Continued)

The annual principal and interest requirements are payable from resources from the permanent improvement fund. The Certificates of Participation are not a general obligation of the District but are payable only from appropriations by the District for annual lease payments.

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

Fiscal Year	Governmental Activities - Certificates of Participation		
Ending June 30,	Principal	Interest	Total
2023	$ 1,305,000	$ 645,788	$ 1,950,788
2024	1,350,000	597,913	1,947,913
2025	1,400,000	548,205	1,948,205
2026	1,455,000	496,469	1,951,469
2027	1,500,000	440,050	1,940,050
2028-2032	6,860,000	1,273,975	8,133,975
2033-2037	1,295,000	617,625	1,912,625
2038-2042	1,490,000	407,475	1,897,475
2043-2046	1,395,000	114,300	1,509,300
Total	$ 18,050,000	$ 5,141,800	$ 23,191,800

Leases Payable - The District has entered into lease agreements for the use of right to use equipment. Due to the implementation of GASB Statement No. 87, the District will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund.

The District has entered into lease agreements for copier equipment as follows:

Description	Lease Commencement Date	Years	Lease End Date	Payment Method
Copier Equipment	2017	6	2023	Monthly

The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Principal	Interest	Total
2023	$ 129,448	$ 3,937	$ 133,385

NOTE 15 – CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2022.

NOTE 15 – CONTINGENCIES – (Continued)

B. Litigation

The District is not involved in any litigation that, in the opinion of management, would have a material effect on the financial statements.

C. 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, all ODE adjustments for fiscal year 2022 are finalized.

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 acquisition and construction of capital improvements. Amounts not spent by year- end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

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

	Capital Improvements
Set-aside balance June 30, 2021	$ -
Current year set-aside requirement	512,834
Contributions in excess of the current fiscal year set-aside requirement	-
Current year qualifying expenditures	-
Excess qualified expenditures from prior years	-
Current year offsets	(3,394,178)
Waiver granted by ODE	-
Prior year offset from bond proceeds	-
Total	$ (2,881,344)
Balance carried forward to fiscal year 2023	$ -
Set-aside balance June 30, 2022	$ -

Although the District had qualifying disbursements during the year that reduced the capital improvements set-aside amount below zero, this amount may not be used to reduce the set-aside requirement for future fiscal years. This negative balance is therefore not presented as being carried forward to future fiscal years.

NOTE 17 – OTHER COMMITMENTS

Other significant commitments include the encumbrances outstanding for the general fund and other governmental funds other than capital projects were as follows:

Fund	Fiscal Year-End Encumbrances
General	$ 802,201
Other governmental	825,591
Total	$ 1,627,792

NOTE 18 - 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 emergency measures may impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The District's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

NOTE 19 – ASSET RETIREMENT OBLIGATIONS

Ohio Administrative Code Section 1301-7-9 requires a District classified as an "owner" or "operator to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for the year a UST is removed. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination. The asset retirement obligation (ARO) of $15,000 associated with the District's underground storage tank was estimated by the District. The remaining useful life of the UST is zero years.

REQUIRED SUPPLEMENTARY INFORMATION

MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net pension liability	0.13276980%	0.12742700%	0.12773100%	0.12748800%
District's proportionate share of the net pension liability	$ 4,898,821	$ 8,428,257	$ 7,642,387	$ 7,301,469
District's covered payroll	$ 4,582,871	$ 4,467,293	$ 4,382,621	$ 4,222,493
District's proportionate share of the net pension liability as a percentage of its covered payroll	106.89%	188.67%	174.38%	172.92%
Plan fiduciary net position as a percentage of the total pension liability	82.86%	68.55%	70.85%	71.36%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
0.12790200%	0.13025800%	0.13014900%	0.13253700%	0.13253700%
$ 7,641,857	$ 9,533,713	$ 7,426,400	$ 6,707,622	$ 7,881,550
$ 4,171,450	$ 4,046,057	$ 3,878,793	$ 3,847,878	$ 3,923,996
183.19%	235.63%	191.46%	174.32%	200.86%
69.50%	62.98%	69.16%	71.70%	65.52%

MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net pension liability	0.12157237%	0.12003500%	0.11994000%	0.12041100%
District's proportionate share of the net pension liability	$ 15,544,120	$ 29,044,272	$ 26,523,922	$ 26,475,628
District's covered payroll	$ 15,154,279	$ 14,661,914	$ 14,081,371	$ 13,688,679
District's proportionate share of the net pension liability as a percentage of its covered payroll	102.57%	198.09%	188.36%	193.41%
Plan fiduciary net position as a percentage of the total pension liability	87.78%	75.50%	77.40%	77.30%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
0.11991900%	0.12007600%	0.11670200%	0.12018900%	0.12018900%
$ 28,487,127	$ 40,193,036	$ 32,252,993	$ 29,234,178	$ 34,823,561
$ 13,528,807	$ 12,760,771	$ 12,099,264	$ 12,572,854	$ 12,609,285
210.57%	314.97%	266.57%	232.52%	276.17%
75.30%	66.80%	72.10%	74.70%	69.30%

MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 638,885	$ 641,602	$ 625,421	$ 591,654
Contributions in relation to the contractually required contribution	(638,885)	(641,602)	(625,421)	(591,654)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,563,464	$ 4,582,871	$ 4,467,293	$ 4,382,622
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	
$	570,037	$	584,003	$	566,448	$	511,225	$	533,316	$	543,081
	(570,037)		(584,003)		(566,448)		(511,225)		(533,316)		(543,081)
$	-	$	-	$	-	$	-	$	-	$	-
$	4,222,496	$	4,171,450	$	4,046,057	$	3,878,794	$	3,847,879	$	3,923,996
	13.50%		14.00%		14.00%		13.18%		13.86%		13.84%

MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 2,225,463	$ 2,121,599	$ 2,052,668	$ 1,971,392
Contributions in relation to the contractually required contribution	(2,225,463)	(2,121,599)	(2,052,668)	(1,971,392)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 15,896,164	$ 15,154,279	$ 14,661,914	$ 14,081,371
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
$ 1,916,415	$ 1,894,033	$ 1,786,508	$ 1,693,897	$ 1,634,471	$ 1,639,207
(1,916,415)	(1,894,033)	(1,786,508)	(1,693,897)	(1,634,471)	(1,639,207)
$ -	$ -	$ -	$ -	$ -	$ -
$ 13,688,679	$ 13,528,807	$ 12,760,771	$ 12,099,264	$ 12,572,854	$ 12,609,285
14.00%	14.00%	14.00%	14.00%	13.00%	13.00%

MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net OPEB liability	0.13425820%	0.12677000%	0.13112200%	0.12924800%
District's proportionate share of the net OPEB liability	$ 2,540,946	$ 2,755,119	$ 3,297,445	$ 3,585,680
District's covered payroll	$ 4,582,871	$ 4,467,293	$ 4,382,621	$ 4,222,493
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	55.44%	61.67%	75.24%	84.92%
Plan fiduciary net position as a percentage of the total OPEB liability	24.08%	18.17%	15.57%	13.57%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2018	2017
	0.12956900%	0.13164200%
	$ 3,477,278	$ 3,752,295
	$ 4,171,450	$ 4,046,057
	83.36%	92.74%
	12.46%	11.49%

MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net OPEB liability/asset	0.121572367%	0.12003500%	0.11994000%	0.12041100%
District's proportionate share of the net OPEB liability/(asset)	$ (2,563,254)	$ (2,109,618)	$ (1,986,488)	$ (1,934,880)
District's covered payroll	$ 15,154,279	$ 14,661,914	$ 14,081,371	$ 13,688,679
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	16.91%	14.39%	14.11%	14.13%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.73%	182.10%	174.70%	176.00%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017	
	0.11991900%		0.12007600%
$	4,678,814	$	6,421,692
$	13,528,807	$	12,760,771
	34.58%		50.32%
	47.10%		37.30%

MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 72,464	$ 74,038	$ 55,612	$ 102,989
Contributions in relation to the contractually required contribution	(72,464)	(74,038)	(55,612)	(102,989)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,563,464	$ 4,582,871	$ 4,467,293	$ 4,382,622
Contributions as a percentage of covered payroll	1.59%	1.62%	1.24%	2.35%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2018	2017	2016	2015	2014	2013
	$ 90,546	$ 69,589	$ 65,066	$ 99,537	$ 70,704	$ 72,735
	(90,546)	(69,589)	(65,066)	(99,537)	(70,704)	(72,735)
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 4,222,496	$ 4,171,450	$ 4,046,057	$ 3,878,794	$ 3,847,879	$ 3,923,996
	2.14%	1.67%	1.61%	2.57%	1.84%	1.85%

MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 15,896,164	$ 15,154,279	$ 14,661,914	$ 14,081,371
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
	$ -	$ -	$ -	$ -	$ 125,729	$ 126,093
	-	-	-	-	(125,729)	(126,093)
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 13,688,679	$ 13,528,807	$ 12,760,771	$ 12,099,264	$ 12,572,854	$ 12,609,285
	0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.

(Continued)

PENSION (CONTINUED)

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2022.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. 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 CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/ *Pass Through Grantor* / Program Title	Federal Assistance Listing Number	Receipts	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Ohio Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	$ 423,720	$ 297,174
National School Lunch Program	10.555	995,968	698,385
COVID-19 National School Lunch Program		27,147	27,147
		51,655	51,655
National School Lunch Program- Non-Cash Assistance		91,353	91,353
Total National School Lunch Program		1,166,123	868,540
Total Child Nutrition Cluster		1,589,843	1,165,714
COVID-19 SNAP State/Local P-EBT	10.649	3,063	3,063
TOTAL U.S. DEPARTMENT OF AGRICULTURE		**1,592,906**	**1,168,777**
U.S. DEPARTMENT OF DEFENSE			
Direct Program:			
Air Force Junior R.O.T.C. Grant	12.000	65,929	65,929
TOTAL U.S. DEPARTMENT OF DEFENSE		**65,929**	**65,929**
FEDERAL COMMUNICATIONS COMMISSION			
Direct Program:			
COVID-19 Emergency Connectivity Fund Program	32.009	53,506	53,506
TOTAL FEDERAL COMMUNICATIONS COMMISSION		**53,506**	**53,506**
U.S. DEPARTMENT OF EDUCATION			
Passed Through the Ohio Department of Education:			
Special Education Cluster:			
Special Education - Grants to States	84.027	518,630	518,621
		70,092	70,572
COVID-19 Special Education - Grants to States		80,603	80,603
Total Special Education - Grants to States		669,325	669,796
Special Education - Preschool Grants	84.173	13,825	13,825
		-	26,359
COVID-19 Special Education - Preschool Grants		7,175	7,175
Total Special Education - Preschool Grants		21,000	47,359
Total Special Education Cluster		690,325	717,155
Title I Grants to Local Educational Agencies	84.010	453,449	451,663
		32,424	35,449
		13,426	13,426
Total Title I Grants to Local Educational Agencies		499,299	500,538
Student Support and Academic Enrichment Program	84.424	27,365	27,365
		-	11,226
Total Student Support and Academic Enrichment Program		27,365	38,591
Supporting Effective Instruction State Grants	84.367	77,696	77,688
		10,982	23,418
Total Supporting Effective Instruction State Grants		88,678	101,106
COVID-19 Education Stabilization Fund	84.425D	8,359	8,359
	84.425D	145,534	145,534
	84.425D	-	12,690
	84.425U	1,401,766	1,399,810
Total Education Stabilization Fund		1,555,659	1,566,393
TOTAL U.S. DEPARTMENT OF EDUCATION		**2,861,326**	**2,923,783**
TOTALS		**$4,573,667**	**$4,211,995**

The accompanying notes are an integral part of this schedule.

MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY

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

NOTE A – BASIS OF PRESENTATION

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) includes the federal award activity of Midview 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 or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE E – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE
KEITH FABER

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

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

Midview Local School District
Lorain County
13050 Durkee Road
Grafton, Ohio 44044

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, the major fund, and the aggregate remaining fund information of Midview Local School District, Lorain 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 and have issued our report thereon dated March 22, 2023, wherein we noted the District reclassified the food service fund from an enterprise fund to a non-major governmental fund as of July 1, 2021. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

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.

Keith Faber
Auditor of State
Columbus, Ohio

March 22, 2023

OHIO AUDITOR OF STATE
KEITH FABER

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

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

Midview Local School District
Lorain County
13050 Durkee Road
Grafton, Ohio 44044

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Midview Local School District's, Lorain County, Ohio, (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 Midview Local School District's major federal program for the year ended June 30, 2022. Midview Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Midview 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 program 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.

Keith Faber
Auditor of State
Columbus, Ohio

March 22, 2023

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MIDVIEW LOCAL SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
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 significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Program's 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
(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 AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE
KEITH FABER

MIDVIEW LOCAL SCHOOL DISTRICT

LORAIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/30/2023

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