OHIO AUDITOR OF STATE
KEITH FABER

NEW MIAMI LOCAL SCHOOL DISTRICT
BUTLER COUNTY
JUNE 30, 2022

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

New Miami Local School District
Butler County
600 Seven Mile Avenue
Hamilton, Ohio 45011

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the New Miami Local School District, Butler County, Ohio as of June 30, 2022, and the respective changes in financial position thereof 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 School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in e 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 School 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 School 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 School 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, required budgetary comparison schedules, 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 School District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards 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 August 3, 2023 on our consideration of the School 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 School 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 School District's internal control over financial reporting and compliance.

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio
August 3, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

This discussion and analysis provides key information from management highlighting the overall financial performance of the New Miami Local School District (the "School District") for the fiscal year ended June 30, 2022. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the School District's financial statements.

Financial Highlights

Major financial highlights for fiscal year 2022 are listed below:

- The assets and deferred outflows of resources the School District exceeded its liabilities and deferred inflows of resources at year-end by $3.9 million. Of this amount, $9.2 million is invested in capital assets, net of accumulated depreciation and related debt. The School District also reported an unrestricted deficit net position balance of $5.9 million due to its recognition of its proportionate share of the state-wide retirement systems' unfunded liabilities.

- In total, net position increased by approximately $445,000.

- The School District had $11.7 million in expenses related to governmental activities; only $2.9 million of these expenses were offset by program specific charges for services, grants or contributions. General revenue of $9.3 million, made up primarily of property and income taxes and State Foundation payments, provided the majority of funding for these programs.

- The General Fund balance decreased by $239,113, from $3,648,066 at June 30, 2021 to $3,408,953 at June 30, 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the School District include instruction, support services, administration, operation and maintenance of plant, and extracurricular activities. The School District has no business-type activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

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

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

The School District accounts for its activities using many individual funds. The most significant funds are reported in separate columns in the governmental fund financial statements. These statements provide detailed information about the individual major funds – unlike the government-wide financial statements, which report on the School District as a whole. Some funds are required to be established by State law. Also, the School District may also establish separate funds to show that it is meeting legal requirements for using grants or other money.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs.

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

Other information. In addition to basic financial statements and accompanying notes, this report also contains required supplementary information regarding the budget of the General and ESSER Funds and required pension and other postemployment benefit information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A. Net Position at Fiscal Year-End

The following table presents a condensed summary of the School District's overall financial position at June 30, 2022 and 2021:

		FY2022	FY2021
Assets:			
Current and other assets	$	7,252,574	7,196,265
Capital assets		10,296,439	10,428,930
Total assets		17,549,013	17,625,195
Deferred outflows of resources		2,953,283	3,032,108
Liabilities:			
Long-term liabilities:			
Due more than one year:			
Net pension liability		5,884,617	11,114,102
Net OPEB liability		734,648	895,389
Other long-term liabilities		1,354,514	1,561,839
Other liabilities		1,293,893	1,044,147
Total liabilities		9,267,672	14,615,477
Deferred inflows of resources		7,287,773	2,540,057
Net position:			
Net investment in capital assets		9,225,090	9,097,306
Restricted:			
For capital purposes		138,201	115,622
For debt service		144,739	146,939
For other purposes		377,654	479,906
Unrestricted (deficit)		(5,938,833)	(6,338,004)
Total net position	$	3,946,851	3,501,769

The net pension liability is reported pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27.* The net other postemployment benefits (OPEB) asset and liability are reported pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and net OPEB liability to the reported net position and subtracting net OPEB assets and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board (GASB) standards are national and apply to all government financial reports prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Prior accounting for pensions (GASB Statement No. 27) and OPEB (GASB Statement No. 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 Statement Nos. 68 and 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio statewide pension and OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

As required by GASB Statement Nos. 68 and 75, the required net pension liability and the net OPEB asset and liability equal the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension and 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. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. 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 health care 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 systems are 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 or net OPEB liabilities. 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 part for the unfunded portion. Due to the unique nature of how the net pension and net OPEB liabilities are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

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

The largest portion of the School District's net position ($9.2 million) is in net investment in capital assets. The School District uses these capital assets to provide educational services to its students. Accordingly, these assets are not available for future spending. An additional portion of the School District's net position ($660,594) represents resources that are subject to external restrictions on how they may be used.

Due to the recognition of its proportionate share of the net pension and net OPEB liabilities, the School District's unrestricted net position ended the fiscal year with a deficit balance of $5.9 million. However, if the components of recording the net pension and OPEB liabilities and net OPEB asset are removed from the statement of net position, the School District's unrestricted net position would be a positive $3.2 million. We feel this is important to mention as the management of the School District has no control over the management of the state-wide retirement plans or the benefits offered; both of which control the net pension and OPEB liabilities and net OPEB asset that significantly impact the School District's financial statements.

Total assets were very similar to the prior year while total liabilities decreased by 37%. The decrease in liabilities was primarily due to the net pension liability. The significant decrease in the net pension liability was due to strong investment performance; the School Employees Retirement System (SERS) reported an annual money-weighted rate of return of 28.18% (compared to 2.91% in the prior year), while the State Teachers Retirement System (STRS) reported an annual money-weighted rate of return of 29.24% (compared to 2.99% in the prior year).

B. Governmental Activities During Fiscal Year 2022

The following table presents a condensed summary of the School District's activities during fiscal year 2022 and 2021 and the resulting change in net position:

		FY2022	FY2021
Revenues:			
Program revenues:			
Charges for services and sales	$	368,838	927,748
Operating grants and contributions		2,541,000	2,066,510
Total program revenues		2,909,838	2,994,258
General revenues:			
Property and income taxes		2,145,683	1,854,854
Grants and entitlements		7,043,108	6,400,238
Investment earnings		6,778	(8,755)
Miscellaneous		84,679	116,750
Total general revenues		9,280,248	8,363,087
Total revenues		12,190,086	11,357,345
Expenses:			
Instruction		6,900,620	7,310,662
Support services:			
Pupil		758,399	647,939
Instructional staff		444,099	316,829
Board of Education		48,702	54,746
Administration		1,035,591	1,261,233
Fiscal		161,631	252,075
Business		25,687	15,011
Operation and maintenance of plant		991,925	1,055,013
Pupil transportation		607,436	499,283
Central		55,521	65,555
Non-instructional services		227,222	268,166
Interest and fiscal charges		39,369	47,837
Food services		448,802	383,600
Total expenses		11,745,004	12,177,949
Change in net position		445,082	(820,604)
Beginning net position		3,501,769	4,322,373
Ending net position	$	3,946,851	3,501,769

Of the total governmental activities revenues of $12,190,086, $2,909,838 (23.9%) is from program revenue. This means that the School District relied on general revenues to fund the majority of the cost of services provided to the citizens. Of those general revenues, 23.1% ($2,145,683) comes from property and income taxes and 75.9% ($7,043,108) is from state funding. The School District's operations are reliant upon its property and income taxes and the State's foundation program.

In total, net position of the School District increased by $445,082. Total revenues grew by 7.3%, primarily due to continued grant funding received for pandemic-related relief and higher income tax collections benefitting from a recovering local economy after easing of pandemic-related restrictions. Total expenses decreased by $432,945, or 4%, due to changes in the various state-wide retirement systems' plans as previously discussed.

The following table presents the total cost of each of the government's primary services, and the comparative net cost after deducting the revenues generated by each function. Approximately 25% of the cost of the general government programs was recouped in program revenues. Instruction costs were $6,900,620 but program revenue contributed to fund 28% of those costs. Thus, general revenues of $4,958,274 were needed to support of remainder of the instruction costs.

Governmental Activities

		Total Cost of Services	Program Revenue	Revenues as a % of Total Costs	Net Cost of Services
Instruction	$	6,900,620	1,942,346	28%	4,958,274
Support services		4,128,991	341,967	8%	3,787,024
Non-instructional services		227,222	30,343	13%	196,879
Food services		448,802	595,182	133%	(146,380)
Interest and fiscal charges		39,369	-	0%	39,369
Total	$	11,745,004	2,909,838	25%	8,835,166

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S INDIVIDUAL FUNDS

Governmental funds

The School District has two major funds: the General Fund and ESSER Fund. These two funds' assets comprised $5,976,196 (89%) of the total $6,697,129 in governmental funds' assets.

General Fund. Fund balance at June 30, 2022 was $3,408,953, with a fund balance of $3,253,124 assigned to next year's budget, public school support and encumbered purchases. The General Fund experienced a $239,113 decrease in fund balance compared to last fiscal year's decrease of approximately $94,000, due to an increase in costs in several areas, including salaries, insurance rates, purchased services and transportation costs.

ESSER Fund. This fund accounts for the federal pandemic relief funds under the Elementary and Secondary School Emergency Relief (ESSER) grant program. During the fiscal year, the School District utilized these funds to address staffing shortages, enhance technology capabilities for online and in-person learning, and strengthen infection prevention measures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The schedule comparing the School District's original and final budgets and actual results is included in the required supplementary information. Overall, General Fund expenditures came in $1,551,408 under the final budget. The variances among the functions was mainly due to conservative budgeting and use of federal pandemic-related relief funds.

Significant differences between the actual and final budgets exist due to the School District's budget methodology. The School District's budget is passed with expenditures and other uses equal to the estimated available resources. Thus, the School District "over budgets" expenditures and budgets for contingencies.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. At June 30, 2022, the School District had invested in a broad range of capital assets, including land, buildings, equipment and right-to-use leased assets. During fiscal year 2022, the School District added approximately $324,000 of new capital assets, leading to the decrease in capital assets of approximately $132,000 after factoring in depreciation expense. See Note 5 to the financial statements for more detail.

Capital Assets at Year-End
(Net of Depreciation)

		FY2022	FY2021
Land	$	428,932	428,932
Buildings and improvements		9,198,960	9,493,482
Equipment and furniture		668,547	506,516
Total	$	10,296,439	10,428,930

Debt

At June 30, 2022, the School District had $1,069,832 outstanding on bonds, loans and a lease liability, with $244,704 due within one year. See Notes 11 and 12 to the financial statements for more detail.

REQUESTS FOR ADDITIONAL INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's office at the New Miami Local School District, 600 Seven Mile Avenue, Hamilton, Ohio 45011.

NEW MIAMI LOCAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets:	
Equity in pooled cash and investments	$ 4,488,726
Receivables:	
Taxes	1,615,071
Accounts	415
Intergovernmental	395,018
Interest	178
Supplies inventory	14,013
Net OPEB asset	739,153
Nondepreciable capital assets	428,932
Depreciable capital assets, net	9,867,507
Total assets	17,549,013
Deferred Outflows of Resources:	
Deferred charges on refunding	3,193
Pension	2,616,696
OPEB	333,394
Total deferred outflows of resources	2,953,283
Liabilities:	
Accounts payable	339,714
Accrued wages and benefits	821,701
Intergovernmental payable	129,459
Accrued interest payable	3,019
Noncurrent liabilities:	
Due within one year	314,839
Due within more than one year:	
Net pension liability	5,884,617
Net OPEB liability	734,648
Other amounts due more than one year	1,039,675
Total liabilities	9,267,672
Deferred Inflows of Resources:	
Property taxes levied for next fiscal year	1,087,443
Pension	4,839,754
OPEB	1,360,576
Total deferred inflows of resources	7,287,773
Net Position:	
Net investment in capital assets	9,225,090
Restricted for:	
Capital projects	138,201
Debt service	144,739
Other purposes	377,654
Unrestricted (deficit)	(5,938,833)
Total net position	$ 3,946,851

See accompanying notes to the basic financial statements.

NEW MIAMI LOCAL SCHOOL DISTRICT
Statement of Activities
Fiscal Year Ended June 30, 2022

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:				
Current:				
Instruction:				
Regular	$ 4,928,166	$ 323,027	$ 1,187,586	$ (3,417,553)
Special education	1,570,455	-	284,363	(1,286,092)
Other	401,999	-	147,370	(254,629)
Support services:				
Pupil	758,399	-	117,948	(640,451)
Instructional staff	444,099	-	138,275	(305,824)
Board of Education	48,702	-	-	(48,702)
Administration	1,035,591	-	5,812	(1,029,779)
Fiscal	161,631	-	-	(161,631)
Business	25,687	-	-	(25,687)
Operation and maintenance of plant	991,925	-	29,182	(962,743)
Pupil transportation	607,436	-	50,750	(556,686)
Central	55,521	-	-	(55,521)
Non-instructional services:				
Extracurricular activities	227,222	30,343	-	(196,879)
Food service	448,802	15,468	579,714	146,380
Interest on long-term debt	39,369	-	-	(39,369)
Total Governmental Activities	$ 11,745,004	$ 368,838	$ 2,541,000	(8,835,166)

General Revenues:	
Property taxes, levied for general purposes	1,101,507
Property taxes, levied for debt services	161,137
Property taxes, levied for capital maintenance	21,079
Income taxes	861,960
Grants and entitlements not restricted to specific programs	7,043,108
Investment earnings	6,778
Miscellaneous	84,679
Total general revenues	9,280,248
Change in net position	445,082
Net position beginning of year	3,501,769
Net position end of year	$ 3,946,851

See accompanying notes to the basic financial statements.

NEW MIAMI LOCAL SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2022

	General	ESSER	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	$ 3,776,804	$ 148,133	$ 563,789	$ 4,488,726
Receivables:				
Taxes	1,531,206	-	83,865	1,615,071
Accounts	136	-	279	415
Accrued interest	178	-	-	178
Intergovernmental	136,552	194,838	63,628	395,018
Materials and supplies inventory	4,641	-	9,372	14,013
Interfund receivable	183,708	-	-	183,708
Total assets	$ 5,633,225	$ 342,971	$ 720,933	$ 6,697,129
Liabilities:				
Accounts payable	$ 191,616	$ 134,461	$ 13,637	$ 339,714
Accrued wages and benefits	738,675	12,268	70,758	821,701
Intergovernmental payable	91,307	24,850	13,302	129,459
Interfund payable	-	165,952	17,756	183,708
Compensated absences payable	29,050	-	-	29,050
Total liabilities	1,050,648	337,531	115,453	1,503,632
Deferred Inflows of Resources:				
Property taxes levied for next fiscal year	1,030,012	-	57,431	1,087,443
Unavailable revenue	143,612	9,075	40,591	193,278
Total deferred inflows of resources	1,173,624	9,075	98,022	1,280,721
Fund Balances:				
Nonspendable	4,641	-	9,372	14,013
Restricted	-	-	553,379	553,379
Assigned	3,253,124	-	-	3,253,124
Unassigned	151,188	(3,635)	(55,293)	92,260
Total fund balances	3,408,953	(3,635)	507,458	3,912,776
Total liabilities, deferred inflows of resources and fund balances	$ 5,633,225	$ 342,971	$ 720,933	$ 6,697,129

See accompanying notes to the basic financial statements.

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

Total Governmental Fund Balances		$ 3,912,776
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		10,296,439
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	165,000	
Premium on refunding bonds	4,710	
Compensated absences	250,922	
Lease liability	60,832	
HB264 loan obligations	844,000	
Accrued interest payable	3,019	(1,328,483)
Deferred outflows of resources from losses on refunding are amortized over the life of the bonds and are not reported in the funds.		3,193
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		193,278
The net pension and net OPEB liabilities are not due and payable in the current period. The net OPEB assets are not available to pay for current period expenditures. Therefore, the assets, liabilities and related deferred outflows and inflows of resources are not reported in the governmental funds:		
Deferred outflows - pension and OPEB	2,950,090	
Deferred inflows - pension and OPEB	(6,200,330)	
Net OPEB asset	739,153	
Net pension liability	(5,884,617)	
Net OPEB liability	(734,648)	(9,130,352)
Net Position of Governmental Activities		$ 3,946,851

NEW MIAMI LOCAL SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2022

	General	ESSER	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ 1,970,706	$ -	$ 186,327	$ 2,157,033
Tuition and fees	323,027	-	-	323,027
Investment income	6,778	-	-	6,778
Intergovernmental	7,150,527	1,155,551	1,544,220	9,850,298
Charges for services	-	-	22,752	22,752
Other local revenues	63,942	-	44,414	108,356
Total revenues	9,514,980	1,155,551	1,797,713	12,468,244
Expenditures:				
Current:				
Instruction:				
Regular	3,731,892	769,469	512,715	5,014,076
Special education	1,529,472	-	173,341	1,702,813
Other instruction	297,549	89,578	59,733	446,860
Support services:				
Pupil	654,967	111,450	6,769	773,186
Instructional staff	155,871	90,306	205,978	452,155
Board of Education	55,588	-	-	55,588
Administration	1,112,435	5,535	7,069	1,125,039
Fiscal	234,742	-	-	234,742
Business	25,687	-	-	25,687
Operation and maintenance of plant	984,945	-	27,530	1,012,475
Pupil transportation	577,288	26,985	18,696	622,969
Central	69,581	-	-	69,581
Non-instructional services:				
Extracurricular activities	186,552	-	55,827	242,379
Food services	-	-	444,891	444,891
Debt Service:				
Principal	18,253	-	239,000	257,253
Interest and fiscal charges	1,729	-	41,232	42,961
Total expenditures	9,636,551	1,093,323	1,792,781	12,522,655
Excess (deficiency) of revenues over (under) expenditures	(121,571)	62,228	4,932	(54,411)
Other financing sources (uses):				
Transfers in	-	-	117,542	117,542
Transfers out	(117,542)	-	-	(117,542)
Total other financing sources (uses):	(117,542)	-	117,542	-
Net change in fund balance	(239,113)	62,228	122,474	(54,411)
Fund balance, beginning of year	3,648,066	(65,863)	384,984	3,967,187
Fund balance, end of year	$ 3,408,953	$ (3,635)	$ 507,458	$ 3,912,776

See accompanying notes to the basic financial statements.

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

Net Change in Fund Balances - Total Governmental Funds	$	(54,411)
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/amortization expense:		
Capital asset additions		323,690
Depreciation and amortization expense		(454,968)
Loss on disposal of capital assets		(1,213)
Repayment of bond, lease-purchase, and lease liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		257,253
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		570
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Compensated absences		(30,298)
Amortization of bond premiums		9,420
Amortization of deferred amount on refunding		(6,398)
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the funds.		(284,378)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
Pension		761,240
OPEB		22,919
Except for amounts reported as deferred outflows or deferred inflows of resources, changes in the net pension and OPEB assets and liabilities are reported as pension and OPEB expenses in the statement of activities.		
Pension		(143,744)
OPEB		45,400
Change in Net Position of Governmental Activities	$	445,082

NEW MIAMI LOCAL SCHOOL DISTRICT
Statement of Net Positon
Fiduciary Funds
June 30, 2022

	Private Purpose Trusts
ASSETS	
Equity in pooled cash and cash equivalents	$ 118,359
Total assets	118,359
LIABILITIES	
Accounts payable	3,500
Total liabilities	3,500
NET POSITION	
Held in trust	$ 114,859

See accompanying notes to the basic financial statements.

NEW MIAMI LOCAL SCHOOL DISTRICT
Statement of Changes in Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2022

	Private Purpose Trusts
Additions:	
Contributions	$ 22,998
Total additions	22,998
Deductions:	
Community gifts, awards and scholarships	4,168
Total deductions	4,168
Change in net position	18,830
Net position, beginning of year	96,029
Net position, end of year	$ 114,859

See accompanying notes to the basic financial statements.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The School District provides education for New Miami, City View Heights, Overpeck and Williamsdale. The School District was chartered in 1937 and currently operates one elementary school (K-6) and one junior-senior high school (7-12) with a total enrollment of approximately 600 students. The School District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four-year terms. The School District provides educational services as authorized by state statute and/or federal guidelines.

The reporting entity is comprised of the primary government. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. This includes general operations, food service, and student related activities of the School District.

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

The School District is associated with three organizations; two of which are defined as a jointly governed organization and one is an insurance purchasing pool. These organizations include the Butler Technology and Career Development Schools, the Southwest Ohio Computer Association, and the Butler Health Plan. These organizations are presented in Notes 13 and 14 to the basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

B. Basis of Presentation

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

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

The government-wide statement of activities presents a comparison between direct expenses for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore 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 School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows of resources are generally included on the balance sheet. Operating statements of these funds present sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

C. Fund Accounting

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

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 School District's has two major funds:

> ***General Fund*** – This fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> ***ESSER Fund*** – The Elementary and Secondary School Emergency Relief (ESSER) fund is used to account for federal funding provided by the CARES, ARP and CRRS Acts made available to schools through the Ohio Department of Education for financial impacts of the coronavirus pandemic.

Fiduciary funds report on net position and changes in net position. The School District's fiduciary funds consist of private-purpose trust funds. The School District’s private-purpose trust funds account for scholarship programs for students.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements and relates to the timing of the measurements made. The modified accrual basis of accounting is used by the governmental funds. On a modified accrual basis, revenues are recorded when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end. Under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, income taxes, interest, tuition, student fees, and grants.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

D. Basis of Accounting – *continued*

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 except for unmatured principal and interest on general long-term debt as well as expenditures related to compensated absences which are recognized when due. Allocations of cost, such as depreciation, are not recognized in the governmental funds.

Government-wide financial statements are prepared using the accrual basis of accounting. Also, fiduciary funds utilize accrual accounting. Revenues are recognized when earned and expenses are recognized when incurred.

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.

Non-exchange transactions, in which the School District receives value without directly giving value in return, include property and income taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes were levied.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Deferred inflows of resources. In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. For the School District, deferred inflows of resources include property taxes, unavailable revenue, pension and other postemployment benefits (OPEB). Receivables for property taxes represent amounts that are measurable as of June 30, 2022, but are intended to finance fiscal year 2023 operations. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund financial statements and represents receivables that will not be collected within the available period (sixty days after fiscal year-end). Deferred inflows of resources from pension and OPEB are reported on the government-wide statement of net position (see Notes 8 and 9).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

D. Basis of Accounting – *continued*

Deferred outflows of resources. In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. For the School District, deferred outflows of resources include deferred charge on refunding, pension and OPEB. A deferred charge on refunding results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources from pension and OPEB are reported on the government-wide statement of net position (see Notes 8 and 9)

E. Cash

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this account or temporarily used to purchase short term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the balance sheet.

The Governmental Accounting Standards Board Statement No. 72 (GASB 72), *Fair Value Measurement and Application*, requires that investments be recorded at their fair value and that changes in the fair value be reported in the operating statement.

Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to certain trust funds, and those other funds individually authorized by Board resolution. Interest earnings are allocated to these funds based on average monthly cash balance.

F. Inventory

All inventories are valued at cost determined on a first-in, first-out basis. Inventory in governmental funds are recorded as expenditures in the governmental fund types when used.

G. Capital Assets

Capital assets, which include property, plant and equipment, and right-to-use leased assets, are reported in the government-wide financial statements. The School District defines capital assets as those with an individual cost of more than $250 and an estimated useful life in excess of one year. All capital assets are capitalized at cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at their acquisition values as of the date received. The School 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 capitalized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

G. Capital Assets – *continued*

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements. Capital assets are reported as expenditures of the current period in the governmental fund financial statements.

Right-to-use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset. All other reported capital assets except land are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Buildings	50 years
Building improvements	20 - 25 years
Equipment and furniture	7-20 years

H. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method.

The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the School District's termination policy.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, a liability is recorded only for the portion of unpaid compensated absences that has matured, for example, as a result of employee resignations and retirements.

I. 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, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension and OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension and OPEB plans' fiduciary net position is not sufficient for payment of those benefits.

J. Interfund Transactions

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

K. Pensions/ OPEB

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

L. Fund Balance

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

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

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the School District Board of Education. The Board of Education has authorized the Treasurer to assign fund balance for purchases on order provided those amounts have been lawfully appropriated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

L. Fund Balance – *continued*

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

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

M. Net Position

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

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

N. Estimates

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

O. Fund Deficits

At June 30, 2022, the following funds have a deficit fund balance:

ESSER Fund	$	3,635
Other Governmental Funds:		
Early Childhood Education		28,383
Title I		19,863
IDEA Early Childhood Special Education		2,410
Miscellaneous Federal Grants		4,637

The deficit fund balances were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

2. 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 School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current two-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 that 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 pass book accounts. Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies are permitted to be deposited or invested in the following securities:

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

2. DEPOSITS AND INVESTMENTS—*continued*

2. Bonds, notes, debentures, or any other obligations or securities issued by the federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in 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; and
6. The State Treasurer's investment pool (STAR Ohio).

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 School District and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, *Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements*, and amended by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

<u>Deposits</u>

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the School District’s deposits may not be returned to it. The School District does not have a custodial credit risk policy. At fiscal year-end, $1,147,371 of the School District’s bank balance of $1,397,371 was exposed to custodial credit risk since it was uninsured and collateralized with securities under the Ohio Treasurer’s Ohio Pooled Collateral System, but not in the School District’s name.

2. DEPOSITS AND INVESTMENTS—*continued*

Investments

The School District's investments at June 30, 2022 are summarized as follows:

	Measurement Value at 6/30/22	Average Maturity (Years)	Concentration
Brokered CD	$ 248,980	0.08	8%
U.S. Treasuries	2,895,737	0.12	89%
U.S. Money Markets	110,458	0.08	3%
	$ 3,255,175		100%

Credit Risk. It is the School District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a failure of a counter party, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's investment securities are registered in the name of the School District.

Interest Rate Risk. In accordance with the investment policy, the School District manages its exposure to declines in fair value by limiting the maturity of its investment portfolio to five years, unless they are matched to a specific obligation or debt of the School District.

Fair Value Measurements. The School District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The School District had the following reoccurring fair value measurements as of June 30, 2022:

		Fair Value Measurements Using		
Investments by Fair Value Level	Measurement Value at 6/30/22	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Brokered CD	$ 248,980	$ -	$ 248,980	$ -
U.S. Treasuries	2,895,737	2,895,737	-	-
U.S. Money Markets (amortized cost)	110,458	n/a	n/a	n/a
	$ 3,255,175	$ 2,895,737	$ 248,980	$ -

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets, while investments classified in Level 2 of the fair value hierarchy are valued using pricing sources as provided by the investment manager. U.S. money market investments are excluded from fair value measurement requirements, but are valued at amortized cost at June 30, 2022 which approximates fair value.

3. INCOME TAXES

Effective in 1990, the voters of the School District passed a 1% school income tax on wages earned by residents of the School District. The taxes are collected by the State Department of Taxation in the same manner as the state income tax. In the fiscal year ended June 30, 2022, the School District recorded income tax revenue of $868,503 in the entity-wide financials and a receivable as of June 30, 2022 of $347,985.

4. PROPERTY TAXES

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2022 represents collections of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed value listed as of the prior January 1, 2021, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property taxes revenue received in calendar year 2022 represent collections of calendar year 2021 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien on December 31, 2020, were levied after April 1, 2021 and are collected in calendar year 2022 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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

Accrued property taxes receivable represents delinquent taxes outstanding and real property and public utility taxes, which became measurable as of June 30, 2022. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations.

The amount available as an advance at June 30, 2022, was $67,788 in the General Fund and $11,217 in Other Governmental Funds. The assessed values upon which fiscal year 2022 taxes were collected are:

4. PROPERTY TAXES—*continued*

	2021 Second-Half Collections Amount	Percent	2022 First-Half Collections Amount	Percent
Agricultural/Residential and Other Real Estate	$ 51,170,760	91.38%	51,393,060	91.04%
Public Utilities Personal	4,826,500	8.62%	5,058,330	8.96%
Total Assessed Value	$ 55,997,260	100.00%	56,451,390	100.00%

5. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2022 was as follows:

	Restated Balance 7/1/21	Additions	Disposals	Balance 6/30/22
Governmental Activities				
Nondepreciable:				
Land	$ 428,932	-	-	428,932
Subtotal	428,932	-	-	428,932
Depreciable:				
Buildings and improvements	14,726,097	-	-	14,726,097
Equipment and furniture	2,285,713	323,690	(7,130)	2,602,273
Right-to-use equipment	75,092	-	-	75,092
Subtotal	17,086,902	323,690	(7,130)	17,403,462
Totals at historical cost	17,515,834	323,690	(7,130)	17,832,394
Less accumulated depreciation:				
Buildings and improvements	5,232,615	294,522	-	5,527,137
Equipment and furniture	1,854,289	145,459	(5,917)	1,993,831
Right-to-use equipment	-	14,987	-	14,987
Total accumulated depreciation	7,086,904	454,968	(5,917)	7,535,955
Capital assets, net	$ 10,428,930	(131,278)	(1,213)	10,296,439

5. CAPITAL ASSETS—*continued*

Depreciation and amortization expense was charged to governmental functions as follows:

Instruction:		
Regular	$	390,401
Special		761
Support services:		
Pupil		372
Instructional staff		1,020
Administration		874
Fiscal		460
Operation and maintenance of plant		50,722
Extracurricular activities		5,154
Food services		5,204
Total depreciation and amortization expense	$	454,968

6. INTERFUND TRANSACTIONS

Interfund transactions at June 30, 2022 consisted of the following interfund receivables/payables and transfers in/out:

		Interfund		Transfers	
		Receivable	Payable	In	Out
General fund	$	183,708	-	-	117,542
ESSER fund		-	165,952	-	-
Other governmental funds		-	17,756	117,542	-
	$	183,708	183,708	117,542	117,542

The interfund loans were made to provide operating capital. 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 or (2) use unrestricted revenues collected in the general fund to finance various programs and debt service accounted for in other funds in accordance with budgetary authorizations.

7. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2022, the School District maintained comprehensive insurance coverage with private carriers for real property, building contents, vehicles and general liability coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There was no significant reduction in coverage from the prior year.

For fiscal year 2022, the School District participated in the Butler Health Plan, a group insurance purchasing pool, in order to provide dental, life, medical, and disability benefits to employees, their dependents and designated beneficiaries and to set aside funds for such purposes. The Plan provides insurance policies in whole or in part through one or more group insurance policies.

8. PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

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

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

8. PENSION PLANS—*continued*

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

Prior to January 1, 2018, on the anniversary of the initial date of retirement, the allowances of all retirees and survivors are increased 3% of the base benefit. On and after January 1, 2018, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W, measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0% nor greater than 2.5%. COLAs were suspended for calendar years 2018, 2019 and 2020. On and after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement. One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2022, the 14% was allocated to only three of the funds (Pension Trust Fund, Death Benefit Fund and Medicare B Fund).

The School District's contractually required contribution to SERS was $166,966 for fiscal year 2022.

8. PENSION PLANS—*continued*

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

New members who choose the DC Plan or CO Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS Ohio plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's CO Plan account to a lifetime benefit results in STRS Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options as one defined benefit plan for GASB Statement No. 68 reporting purposes.

8. PENSION PLANS—*continued*

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

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

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

The School District's contractually required contribution to STRS was $594,274 for fiscal year 2022. Of this amount, $106,540 is recorded as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	$ 1,402,244	$ 4,482,373	$ 5,884,617
Proportion of the Net Pension Liability	0.03800%	0.03506%	
Change in Proportion	-0.00332%	0.00042%	
Pension Expense	$ (84,088)	$ 227,832	$ 143,744

8. PENSION PLANS—*continued*

At June 30, 2022, the School 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	$ 135	$ 138,483	$ 138,618
Change in assumptions	29,528	1,243,492	1,273,020
Change in proportionate share and difference between employer contributions	15,020	428,798	443,818
School District's contributions subsequent to the measurement date	166,966	594,274	761,240
Total Deferred Outflows of Resources	$ 211,649	$ 2,405,047	$ 2,616,696
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 36,366	$ 28,095	$ 64,461
Net difference between projected and actual earnings on pension plan investments	722,197	3,862,948	4,585,145
Change in proportionate share and difference between employer contributions	114,886	75,262	190,148
Total Deferred Inflows of Resources	$ 873,449	$ 3,966,305	$ 4,839,754

$761,240 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2023	$ (235,056)	$ (541,681)	$ (776,737)
2024	(200,327)	(366,419)	(566,746)
2025	(171,712)	(506,186)	(677,898)
2026	(221,671)	(741,246)	(962,917)
	$ (828,766)	$ (2,155,532)	$ (2,984,298)

8. PENSION PLANS—*continued*

Actuarial Assumptions - SERS

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

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

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

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

Inflation:	
Current measurement period	2.40%
Prior measurement period	3.00%
Future Salary Increases, including Inflation:	
Current measurement period	3.25% to 13.58%
Prior measurement period	3.50% to 18.20%
COLA or Ad Hoc COLA:	
Current measurement period	2.00%, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following retirement
Prior measurement period	2.50%, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following retirement
Investment Rate of Return:	
Current measurement period	7.00% net of investment expense, including inflation
Prior measurement period	7.50% net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal

8. PENSION PLANS—*continued*

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	(0.33%)
U.S. Equity	24.75%	5.72%
Non-U.S. Equity Developed	13.50%	6.55%
Non-U.S. 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%
	100.00%	

Discount Rate – 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 earning 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.

8. PENSION PLANS—*continued*

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00%, 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$2,332,990	$1,402,244	$617,306

Actuarial Assumptions - STRS

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

Inflation	2.50%
Salary increases	12.50% at age 20 to 2.50% at age 65
Payroll increases	3.00%
Investment rate of return:	
Current measurement period	7.00%, net of investment expenses, including inflation
Prior measurement period	7.45%, net of investment expenses, including inflation
Discount rate of return:	
Current measurement period	7.00%
Prior measurement period	7.45%
Cost-of-living adjustments (COLA)	0%

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

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

8. PENSION PLANS—*continued*

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

Asset Class	Target Allocation	Long-Term Expected 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%
	100.00%	

** 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25%, and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.*

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$8,393,808	$4,482,373	$1,177,220

Social Security System

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

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS

Net OPEB Liability (Asset)

The net OPEB liability (asset) reported on the statement of net position represents a liability to (or assets for) employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

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

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

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued*

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description—SERS' Health Care program provides health care benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986 need 10 years of service credit, exclusive of mot types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and, therefore, enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute.

Funding Policy—State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2022, there was no portion allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, the minimum compensation amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the School District's surcharge obligation was $22,919.

Plan Description - State Teachers Retirement System (STRS)

Plan Description—The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS Board to offer this plan.

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

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

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued*

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

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

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

	SERS	STRS	Total
Proportionate Share of the Net OPEB Liability/(Asset)	$ 734,648	$ (739,153)	$ (4,505)
Proportion of the Net OPEB Liability/(Asset)	0.03882%	0.03506%	
Change in Proportion	-0.00238%	0.00042%	
OPEB (Negative) Expense	$ (7,520)	$ (37,880)	$ (45,400)

At June 30, 2022, the School 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	$ 7,830	$ 26,319	$ 34,149
Change in assumptions	115,249	47,215	162,464
Change in proportionate share and difference between employer contributions	53,866	59,996	113,862
School District's contributions subsequent to the measurement date	22,919	-	22,919
Total Deferred Outflows of Resources	$ 199,864	$ 133,530	$ 333,394
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 365,889	$ 135,426	$ 501,315
Net difference between projected and actual earnings on OPEB plan investments	15,961	204,880	220,841
Change in assumptions	100,604	440,957	541,561
Change in proportionate share and difference between employer contributions	56,635	40,224	96,859
Total Deferred Inflows of Resources	$ 539,089	$ 821,487	$ 1,360,576

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued*

$22,919 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or addition to the net OPEB asset in the year ending June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2023	$ (74,947)	$ (188,203)	$ (263,150)
2024	(75,059)	(183,076)	(258,135)
2025	(80,554)	(204,990)	(285,544)
2026	(72,997)	(83,573)	(156,570)
2027	(42,570)	(28,824)	(71,394)
2028	(16,017)	709	(15,308)
	$ (362,144)	$ (687,957)	$ (1,050,101)

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 consider the employee's entire career with the employer and take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued*

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

Investment Rate of Return:	
Current measurement period	7.00% net of investment expense, including inflation
Prior measurement period	7.50% net of investment expense, including inflation
Wage Inflation:	
Current measurement period	2.40%
Prior measurement period	3.00%
Future Salary Increases, including Inflation:	
Current measurement period	3.25% to 13.58%
Prior measurement period	3.50% to 18.20%
Municipal Bond Index Rate:	
Current measurement period	1.92%
Prior measurement period	2.45%
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Current measurement period	2.27%
Prior measurement period	2.63%
Medical Trend Assumption:	
Current measurement period:	
Pre-Medicare	6.750% to 4.400%
Medicare	5.125% to 4.400%
Prior measurement period:	
Pre-Medicare	7.00% to 4.75%
Medicare	5.25% to 4.75%

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

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

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

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) 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%)
U.S. Equity	24.75%	5.72%
Non-U.S. Equity Developed	13.50%	6.55%
Non-U.S. 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%
	100.00%	

Discount Rate – The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and SERS at the state statute contribution rate of 1.5% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and no contributions from basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2042. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2041 and the Municipal Bond Index rate of 1.92% as of June 30, 2021 (i.e., municipal bond rate) was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and the Health Care Cost Trend Rates – The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability calculated using the discount rate of 2.27%, as well as what the School District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.27%) and one percentage point higher (3.27%) than the current rate.

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
School District's proportionate share of the net OPEB liability	$910,319	$734,648	$594,311

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued*

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

	1% Decrease (5.75% decreasing to 3.40%)	Current Cost Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	$565,619	$734,648	$960,420

Actuarial Assumptions – STRS

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

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

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

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

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued*

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 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%
	100.00%	

** 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25%, and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.*

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB (asset)	$ (623,730)	$ (739,153)	$ (835,569)

	1% Decrease	Current Cost Trend Rates	1% Increase
School District's proportionate share of the net OPEB (asset)	$ (831,662)	$ (739,153)	$ (624,753)

10. EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave are derived from negotiated agreements and State laws. Classified employees earn 10 to 20 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. All employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to maximum of 200 days for classified employees and teachers, and 253 days for administrators. Upon retirement, classified employee can receive payment for 25% of accrued, but unused sick leave up to a maximum of 50 days; teachers and administrators can receive payment for 30% of accrued, but unused sick leave up to a maximum of 55 days.

11. LONG-TERM OBLIGATIONS

The changes in the School District's long-term liabilities during fiscal year 2022 were as follows:

		Principal Outstanding 7/1/21	Additions	Deletions	Principal Outstanding 6/30/22	Due Within One Year
Series 2010 refunding bonds	$	345,000	-	(180,000)	165,000	165,000
Premium on refunding bonds		14,130	-	(9,420)	4,710	-
Loan from direct borrowings		903,000	-	(59,000)	844,000	61,000
Lease liability		79,085	-	(18,253)	60,832	18,704
Compensated absences		220,624	92,714	(33,366)	279,972	70,135
	$	1,561,839	92,714	(300,039)	1,354,514	314,839

On May 24, 2010, the School District issued Series 2010 school improvement refunding bonds to refund $1,235,000 of the Series 2000 bonds that were originally issued to construct a new building and renovate the junior/senior high school building. These bonds were issued at an interest rate of 3.8% with final maturity at December 1, 2022 and will be retired from the debt service fund.

In April 2019, the School District entered into a direct borrowing installment loan agreement in the amount of $1,010,000 for HB264 energy conservation improvements. The loan matures on December 1, 2033 and bears an interest rate of 3.55%. The loan agreement contains a provision that in an event of default, outstanding amounts become immediately due if the School District is unable to make the payment. This loan will be retired from the debt service fund.

In 2020, the School District entered into a lease agreement for the right-to-use copiers used throughout the district. The lease agreement is for a five-year term and expires in August 2025 with an interest rate of 2.443% and will be retired from the general fund.

11. LONG-TERM OBLIGATIONS—*continued*

All general obligation debt is supported by the full faith and credit of the School District. Compensated absences will be paid from the fund from which the employees' salaries are paid, typically the General Fund. The School District's voted legal debt margin was $4,915,625 with an unvoted debt margin of $56,451 at June 30, 2022.

Principal and interest requirements to retire the Series 2010 bonds at June 30, 2022 are:

Fiscal Year Ending June 30,		Principal	Interest	Total
2023	$	165,000	3,135	168,135

Principal and interest requirements to retire the direct borrowing installment loan at June 30, 2022 are:

Fiscal Year Ending June 30,		Principal	Interest	Total
2023	$	61,000	29,430	90,430
2024		63,000	27,246	90,246
2025		65,000	24,992	89,992
2026		67,000	22,667	89,667
2027		70,000	20,253	90,253
2028-2032		388,000	61,983	449,983
2033-2034		130,000	4,633	134,633
Total	$	844,000	191,204	1,035,204

Principal and interest requirements to retire the lease liability at June 30, 2022 are:

Fiscal Year Ending June 30,		Principal	Interest	Total
2023	$	18,704	1,278	19,982
2024		19,167	816	19,983
2025		19,640	342	19,982
2026		3,321	10	3,331
Total	$	60,832	2,446	63,278

12. FUND BALANCES

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

Fund Balances	General	ESSER	Other Governmental Funds	Total Governmental Funds
Nonspendable				
Inventory	$ 4,641	-	9,372	14,013
Restricted for				
Food Service Operations	-	-	256,737	256,737
Private Grants and Donations	-	-	2,869	2,869
Classroom Facilities Maintenance	-	-	125,197	125,197
Athletics and student activities	-	-	20,269	20,269
State Grant Programs	-	-	1,214	1,214
Federal Grant Programs	-	-	1,548	1,548
Debt Service Payments	-	-	134,186	134,186
Capital Improvements	-	-	11,359	11,359
Total Restricted	-	-	553,379	553,379
Assigned to				
Public School Support	23,382	-	-	23,382
Budget Resource	3,229,742	-	-	3,229,742
Total Assigned	3,253,124	-	-	3,253,124
Unassigned (Deficit)	151,188	(3,635)	(55,293)	92,260
Total Fund Balance	$ 3,408,953	(3,635)	507,458	3,912,776

13. INSURANCE PURCHASING POOL

Butler Health Plan

The School District participates in the Butler Health Plan, an insurance purchasing pool, formed to provide affordable and desirable dental, life, medical, and other disability group insurance for member's employees, eligible dependents and designated beneficiaries. The Board of Directors consists of one representative from each of the participating members and is elected by the vote of a majority of the member school districts. Financial information can be obtained from Butler Health Plan at P. O. Box 526, Middletown, Ohio 45042.

14. JOINTLY GOVERNED ORGANIZATIONS

Butler Technology and Career Development Schools

The Butler Technology and Career Development Schools (Butler Tech), a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the participating school districts' elected board. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. Butler Tech was formed for the purpose of providing vocational education opportunities to the students of the member school districts which includes the students of the School District. The School District has no ongoing financial interest in nor responsibility for Butler Tech. To obtain financial information, write to Butler Tech, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.

Southwest Ohio Computer Association

The Southwest Ohio Computer Association (SWOCA) was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the member schools of the three county consortiums supports SWOCA based upon per pupil charge dependent upon the software package utilized. SWOCA is governed by a board of directors consisting of the superintendents and treasurers of member school districts. The degree of control exercised by any participating School District is limited to its representation on the Board. To obtain financial information, write to SWOCA, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.

15. CONTINGENCIES

Litigation

The School District's attorney estimates that potential claims against the School District from legal proceedings would not materially affect the financial statements of the School District.

State and Federal Funding

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2022, if applicable, cannot be determined at this time.

School 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, additional ODE adjustments for fiscal year 2022 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2022 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

16. REQUIRED SET-ASIDES

The School District is required by State statute to annually set aside in the general fund an amount based on the statutory formula for the acquisition, maintenance, 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 acquisition. Disclosure of this information is required by State statute.

		Capital Improvements
Set-aside reserve balance as of June 30, 2021	$	-
Current year set-aside requirement		112,396
Current year qualifying expenditures		(594,394)
Current year offsets		(24,211)
Total	$	(506,209)
Balance carried forward to fiscal year 2023	$	-

Excess qualified expenditures for capital improvements do not carry forward.

17. CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2022, the School District implemented GASB Statement No. 87, *Leases*, and related guidance. This Statement revises lease guidance by establishing a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, lessees are required to recognize a lease liability and an intangible right-to-use lease asset, and lessors are required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated into the School District's financial statements by recognizing, at July 1, 2021, a lease liability of $79,085 as a lessee. The implementation of GASB Statement No. 87 did not have an effect on beginning fund balance or net position of the School District as previously reported.

REQUIRED SUPPLEMENTARY INFORMATION

NEW MIAMI LOCAL SCHOOL DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes	$ 1,613,100	$ 1,885,742	$ 1,885,742	$ -
Tuition and fees	900,000	318,780	318,780	-
Interest	20,000	7,130	7,132	2
Intergovernmental	6,498,500	7,013,974	7,013,974	-
Other local revenues	13,400	3,599	3,599	-
Total revenues	9,045,000	9,229,225	9,229,227	2
Expenditures:				
Current:				
Instruction:				
Regular	4,127,675	4,128,375	3,776,912	351,463
Special education	1,810,060	1,814,260	1,482,423	331,837
Other instruction	825,600	835,600	287,631	547,969
Support services:				
Pupil	555,630	658,030	611,123	46,907
Instructional staff	177,035	177,635	149,866	27,769
Board of Education	89,261	97,661	74,521	23,140
Administration	1,157,839	1,175,939	1,135,525	40,414
Fiscal	242,720	242,720	235,890	6,830
Business	18,000	26,000	25,687	313
Operation and maintenance of plant	981,546	1,012,746	999,493	13,253
Pupil transportation	643,000	737,600	585,587	152,013
Central	71,000	74,500	71,256	3,244
Non-instructional services:				
Extracurricular activities	163,500	188,600	182,344	6,256
Total expenditures	10,862,866	11,169,666	9,618,258	1,551,408
Excess of expenditures over revenues	(1,817,866)	(1,940,441)	(389,031)	1,551,410
Other financing sources (uses):				
Transfers out	(60,000)	(117,542)	(117,542)	-
Advances in	275,419	275,419	275,419	-
Advances out	-	(182,361)	(182,361)	-
Other uses	(2,336,014)	(2,010,947)	-	2,010,947
Other sources	38,381	75,792	83,489	7,697
Total other financing sources (uses):	(2,082,214)	(1,959,639)	59,005	2,018,644
Net change in fund balance	(3,900,080)	(3,900,080)	(330,026)	$ 3,570,054
Fund balance, beginning of year	3,811,599	3,811,599	3,811,599	
Prior year encumbrances appropriated	88,481	88,481	88,481	
Fund balance, end of year	$ -	$ -	$ 3,570,054	

See accompanying notes to required supplementary information.

NEW MIAMI LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual (Non-GAAP Budgetary Basis)
ESSER Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Intergovernmental	$ 2,682,940	$ 973,580	$ 973,580	$ -
Total revenues	2,682,940	973,580	973,580	-
Expenditures:				
Current:				
Instruction:				
Regular	1,399,552	791,972	791,972	-
Other instruction	343,774	66,147	66,147	-
Support services:				
Pupil	179,576	144,892	140,517	4,375
Instructional staff	182,040	92,809	92,809	-
Administration	32,379	20,369	20,369	-
Operation and maintenance of plant	770,000	-	-	-
Pupil transportation	24,600	27,008	27,008	-
Total expenditures	2,931,921	1,143,197	1,138,822	4,375
Excess of expenditures over revenues	(248,981)	(169,617)	(165,242)	4,375
Other financing sources (uses):				
Advances in	-	167,016	167,016	-
Advances out	(246,380)	(246,380)	(246,380)	-
Total other financing sources (uses):	(246,380)	(79,364)	(79,364)	-
Net change in fund balance	(495,361)	(248,981)	(244,606)	$ 4,375
Fund balance, beginning of year	2,601	2,601	2,601	
Prior year encumbrances appropriated	246,380	246,380	246,380	
Fund balance, end of year	$ (246,380)	$ -	$ 4,375	

See accompanying notes to required supplementary information.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to Required Supplementary Information
Fiscal Year Ended June 30, 2022

Note A **Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

Certain funds accounted for as separate funds internally with legally adopted budgets (budget basis) do not meet the definition of special revenue funds under GASB Statement No. 54 and were reported with the General Fund (GAAP basis).

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

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

Encumbrances are treated as expenditures for all funds (budget basis) rather than as an expenditure when liquidated (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP statements and the budgetary basis schedule:

		General	ESSER
Net change in fund balance - GAAP Basis	$	(239,113)	62,228
Increase / (decrease):			
Due to inclusion of Uniform School Supply Fund		(2,056)	-
Due to inclusion of Rotary Fund		(113)	-
Due to inclusion of Public School Support Fund		(3,870)	-
Due to revenues		(266,270)	(181,971)
Due to expenditures		173,320	98,258
Due to other sources (uses)		176,547	(79,364)
Due to encumbrances		(168,471)	(143,757)
Net change in fund balance - Budget Basis	$	(330,026)	(244,606)

NEW MIAMI LOCAL SCHOOL DISTRICT
Required Supplementary Information
Schedules of School District's Proportionate Share of the Net Pension Liability
and School District Pension Contributions
School Employees Retirement System of Ohio

Measurement Date Fiscal Year (1)(2)	School District's Proportion of the Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered Payroll	School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.02983%	$ 1,773,656	$ 915,311	193.78%	65.52%
2015	0.02983%	1,509,477	875,426	172.43%	71.70%
2016	0.03459%	1,973,882	1,137,003	173.60%	69.16%
2017	0.03480%	2,546,951	1,031,771	246.85%	62.98%
2018	0.03748%	2,239,545	1,108,964	201.95%	69.50%
2019	0.03970%	2,273,710	1,202,630	189.06%	71.36%
2020	0.03961%	2,370,090	1,336,948	177.28%	70.85%
2021	0.04132%	2,732,839	1,199,893	227.76%	68.55%
2022	0.03800%	1,402,244	1,438,121	97.51%	82.86%

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

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2013	$ 126,679	$ (126,679)	$ -	$ 915,311	13.84%
2014	121,334	(121,334)	-	875,426	13.86%
2015	149,857	(149,857)	-	1,137,003	13.18%
2016	144,448	(144,448)	-	1,031,771	14.00%
2017	155,255	(155,255)	-	1,108,964	14.00%
2018	162,355	(162,355)	-	1,202,630	13.50%
2019	180,488	(180,488)	-	1,336,948	13.50%
2020	167,985	(167,985)	-	1,199,893	14.00%
2021	201,337	(201,337)	-	1,438,121	14.00%
2022	166,966	(166,966)	-	1,192,614	14.00%

See Notes to Required Supplementary Information.

NEW MIAMI LOCAL SCHOOL DISTRICT
Required Supplementary Information
Schedules of School District's Proportionate Share of the Net Pension Liability
and School District Pension Contributions
State Teachers Retirement System of Ohio

Measurement Date Fiscal Year (1)(2)	School District's Proportion of the Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered Payroll	School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.03062%	$ 8,872,829	$ 3,254,238	272.65%	69.3%
2015	0.03062%	7,448,688	3,369,554	221.06%	74.7%
2016	0.03066%	8,472,438	3,475,986	243.74%	72.1%
2017	0.03038%	10,168,533	3,593,664	282.96%	66.8%
2018	0.03366%	7,996,244	3,603,986	221.87%	75.3%
2019	0.03141%	6,905,466	3,881,186	177.92%	77.3%
2020	0.03360%	7,429,691	4,312,443	172.28%	77.4%
2021	0.03464%	8,381,263	4,358,471	192.30%	75.5%
2022	0.03506%	4,482,373	4,547,929	98.56%	87.8%

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

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2013	$ 423,051	$ (423,051)	$ -	$ 3,254,238	13.00%
2014	438,042	(438,042)	-	3,369,554	13.00%
2015	486,638	(486,638)	-	3,475,986	14.00%
2016	503,113	(503,113)	-	3,593,664	14.00%
2017	504,558	(504,558)	-	3,603,986	14.00%
2018	543,366	(543,366)	-	3,881,186	14.00%
2019	603,742	(603,742)	-	4,312,443	14.00%
2020	610,186	(610,186)	-	4,358,471	14.00%
2021	636,710	(636,710)	-	4,547,929	14.00%
2022	594,274	(594,274)	-	4,244,814	14.00%

See Notes to Required Supplementary Information.

NEW MIAMI LOCAL SCHOOL DISTRICT
Required Supplementary Information
Schedules of School District's Proportionate Share of the Net OPEB Liability
and School District OPEB Contributions
School Employees Retirement System of Ohio

Measurement Date Fiscal Year (1)(2)	School District's Proportion of the Net OPEB Liability	School District's Proportionate Share of the Net OPEB Liability	School District's Covered Payroll	School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.03473%	$ 989,978	$ 1,031,771	95.95%	11.49%
2018	0.03744%	1,004,891	1,108,964	90.62%	12.46%
2019	0.03980%	1,104,250	1,202,630	91.82%	13.57%
2020	0.04011%	1,008,689	1,336,948	75.45%	15.57%
2021	0.04120%	895,389	1,199,893	74.62%	18.17%
2022	0.03882%	734,648	1,438,121	51.08%	24.08%

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

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

Fiscal Year (3)	Contractually Required Contributions (4)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 15,286	$ (15,286)	$ -	$ 1,031,771	1.48%
2017	17,664	(17,664)	-	1,108,964	1.59%
2018	25,417	(25,417)	-	1,202,630	2.11%
2019	28,896	(28,896)	-	1,336,948	2.16%
2020	18,539	(18,539)	-	1,199,893	1.55%
2021	23,228	(23,228)	-	1,438,121	1.62%
2022	22,919	(22,919)	-	1,192,614	1.92%

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

(4) Includes Surcharge.

See Notes to Required Supplementary Information.

NEW MIAMI LOCAL SCHOOL DISTRICT
Required Supplementary Information
Schedules of School District's Proportionate Share of the Net OPEB Liability/(Asset)
and School District OPEB Contributions
State Teachers Retirement System of Ohio

Measurement Date Fiscal Year (1)(2)	School District's Proportion of the Net OPEB Liability/ (Asset)	School District's Proportionate Share of the Net OPEB Liability/ (Asset)	School District's Covered Payroll	School District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.03038%	$ 1,624,639	$ 3,593,664	45.21%	37.3%
2018	0.03366%	1,313,328	3,603,986	36.44%	47.1%
2019	0.03141%	(504,662)	3,881,186	(13.00%)	176.0%
2020	0.03360%	(556,440)	4,312,443	(12.90%)	174.7%
2021	0.03464%	(608,768)	4,358,471	(13.97%)	182.1%
2022	0.03506%	(739,153)	4,547,929	(16.25%)	174.7%

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

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

Fiscal Year (3)	Contractually Required Contributions (4)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ -	$ -	$ -	$ 3,593,664	0.00%
2017	-	-	-	3,603,986	0.00%
2018	-	-	-	3,881,186	0.00%
2019	-	-	-	4,312,443	0.00%
2020	-	-	-	4,358,471	0.00%
2021	-	-	-	4,547,929	0.00%
2022	-	-	-	4,244,814	0.00%

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

(4) STRS allocated the entire 14% employer contribution rate towards pension benefits.

See Notes to Required Supplementary Information.

Notes to Pension Information

Changes of Benefit Terms

For measurement period 2017, the COLA was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.50% with a floor of 0.0% beginning January 1, 2018. In addition, with the authority granted to the Board under Ohio House Bill 49, the Board enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

For measurement period 2018, with the authority granted to the Board under Ohio Senate Bill 8, the Board enacted a three-year COLA delay for future benefit recipients commencing on or after April 1, 2018.

Changes of Assumptions

For measurement period 2016, the assumed rate of inflation was reduced from 3.25% to 3.00%, the payroll growth assumption was reduced from 4.00% to 3.50%, the assumed real wage growth was reduced from 0.75% to 0.50%, the rates of withdrawal, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement period 2020, the assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the cost-of-living adjustments were reduced from 2.50% to 2.00%, the discount rate was reduced from 7.50% to 7.00%, the rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries and disabled members were updated.

Notes to OPEB Information

Changes of Benefit Terms

None noted.

Changes of Assumptions

For measurement period 2016, the assumed rate of inflation was reduced from 3.25% to 3.00%, the payroll growth assumption was reduced from 4.00% to 3.50%, the assumed real wage growth was reduced from 0.75% to 0.50%, the rates of withdrawal, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement period 2020, the assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the cost-of-living adjustments were reduced from 2.50% to 2.00%, the discount rate was reduced from 7.50% to 7.00%, the rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries and disabled members were updated.

Notes to Pension Information

Changes of Benefit Terms

For measurement period 2017, the COLA was reduced to zero.

Changes of Assumptions

For the measurement period 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2016. Significant changes included a reduction of the discount rate from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation. The health and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

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

Notes to OPEB Information

Changes of Benefit Terms

For the measurement period 2017, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

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

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

For measurement year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2021 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For measurement year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.10%. 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.

Notes to OPEB Information (continued)

Changes of Assumptions

For measurement year 2017, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, and the long-term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trends were modified along with the portion of rebated prescription drug costs.

For measurement year 2018, the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74. Valuation year per capita health care costs were updated.

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

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NEW MIAMI LOCAL SCHOOL DISTRICT
BUTLER COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	3GE0	$23,869
Cash Assistance			
School Breakfast Program	10.553	3L70	83,077
National School Lunch Program	10.555	3L60	297,418
COVID-19 National School Lunch Program	10.555	3L60	27,350
Total Child Nutrition Cluster			431,714
COVID-19 Pandemic EBT Administrative Costs	10.649	N/A	614
Total U.S. Department of Agriculture			**432,328**
U.S. DEPARTMENT OF THE TREASURY			
Passed Through Ohio Department of Education			
COVID-19 Coronavirus Relief Fund	21.019	5CV1	3,194
Total U.S. Department of the Treasury			**3,194**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Title I Grants to Local Educational Agencies	84.010	3M00	307,595
Special Education Cluster:			
Special Education Grants to States	84.027	3M20	148,241
COVID-19 ARP Special Education Grants to States	84.027X	3IA0	32,528
Special Education Preschool Grants	84.173	3C50	918
Total Special Education Cluster			181,687
Supporting Effective Instruction State Grant	84.367	3Y60	16,670
Comprehensive Literacy Development	84.371	S371C1180019	181,138
Student Support & Academic Enrichment	84.424	3HI0	24,106
Education Stabilization Fund			
COVID-19 ESSER I and II Fund	84.425D	3HS0	718,974
COVID-19 ARP ESSER Fund	84.425U	3HS0	270,587
COVID-19 ARP-HCY Fund	84.425W	3HZ0	5,504
Total Education Stabilization Fund			995,065
Rural Education	84.358		920
Total U.S. Department of Education			**1,707,181**
Total Expenditures of Federal Awards			**$2,142,703**

The accompanying notes are an integral part of this schedule.

NEW MIAMI LOCAL SCHOOL DISTRICT
BUTLER COUNTY

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of New Miami Local School District (the School 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 School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE E – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE
KEITH FABER

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

New Miami Local School District
Butler County
600 Seven Mile Avenue
Hamilton, Ohio 45011

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the New Miami Local School District, Butler County, (the School District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated August 3, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School 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 School 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 School 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 School 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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio
August 3, 2023

OHIO AUDITOR OF STATE
KEITH FABER

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

New Miami Local School District
Butler County
600 Seven Mile Avenue
Hamilton, Ohio 45011

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited New Miami Local School District's, Butler County, (School 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 New Miami Local School District's major federal program for the year ended June 30, 2022. New Miami 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, New Miami 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 School 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 School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The School 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 School 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 School 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 School 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 School 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 School 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 School 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
August 3, 2023

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NEW MIAMI LOCAL SCHOOL DISTRICT
BUTLER 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 Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	AL# 84.425D, 84.425W and 84.425U Educational Stabilization Fund
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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NEW MIAMI LOCAL SCHOOL DISTRICT

Ms. Rhonda Parker
Superintendent

Mrs. Robin Bonar
Treasurer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2022

Finding Number	Finding Summary	Status	Additional Information
2021-001	Financial reporting errors	Corrective Action Taken and Finding is Fully Corrected	

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OHIO AUDITOR OF STATE
KEITH FABER

NEW MIAMI LOCAL SCHOOL DISTRICT

BUTLER 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 8/29/2023

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