OHIO AUDITOR OF STATE
KEITH FABER

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

TABLE OF CONTENTS

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CUYAHOGA COUNTY

TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

Olmsted Falls City School District
Cuyahoga County
26937 Bagley Road
Olmsted Falls, Ohio 44138

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 23 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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 March 27, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

March 27, 2023

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

Financial Highlights

Key financial highlights for fiscal year 2022 are as follows:

- In total, net position of governmental activities increased $6,942,510 which represents a 21.17% increase from the 2021 deficit balance.

- General revenues accounted for $48,661,918 in revenue or 84.90% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for $8,655,782 or 15.10% of total revenues of $57,317,700.

- The District had $50,375,190 in expenses related to governmental activities; only $8,655,782 of these expenses were offset by program specific charges for services and sales, grants and contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $48,661,918 were adequate to provide for these programs.

- The District's major governmental fund is the general fund. The general fund had $50,776,645 in revenues and other financing sources and $45,855,685 in expenditures and other financing uses. During fiscal 2022, the general fund's fund balance increased $4,920,960 from a balance of $410,953 to a balance of $5,331,913.

Reporting the District as a Whole

Statement of Net position and the Statement of Activities

While this document contains all of the funds used by the District to provide programs and activities, the view of the District as a whole considers all financial transactions and asks the questions, "Are we in a better financial position this year than last?" and "why" or "why not". The Statement of Net Position and the Statement of Activities provide the basis for answering these questions. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting which is similar to that used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

All of the District's programs and services are reported as Governmental Activities in the Statement of Net Position and the Statement of Activities. Governmental Activities consist of functions that are principally supported by taxes and intergovernmental revenues. Such activities include instruction, support services, food service operations and extracurricular activities among others for the District.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions.

However, these fund financial statements focus on the District's most significant fund. The District's major governmental fund is the general fund.

Governmental Funds

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

Proprietary Fund

Proprietary funds have historically operated as enterprise and internal service funds using the same basis of accounting as business-type activities. The District has one self-insurance fund.

Fiduciary Funds

The District's custodial fund accounts for services as fiscal agent for outside organizations.

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

The District as a Whole

The statement of net position provides the perspective of the District as a whole.

The table below provides a summary of the District's net position at June 30, 2022 and June 30, 2021.

Net Position

	Governmental Activities 2022	Governmental Activities 2021
Assets		
Current and other assets	$ 49,122,750	$ 43,386,477
Net OPEB asset	3,617,072	3,120,500
Capital assets, net	44,705,519	48,451,757
Total assets	97,445,341	94,958,734
Deferred outflows of resources		
Deferred charges	483,574	518,115
Pension	11,531,993	10,780,921
OPEB	1,465,195	1,798,139
Total deferred outflows of resources	13,480,762	13,097,175
Liabilities		
Current liabilities	9,245,001	9,870,588
Long-term liabilities	68,761,000	97,031,525
Total liabilities	78,006,001	106,902,113
Deferred inflows of resources		
Property taxes	27,437,969	26,738,285
Pension	24,448,020	705,557
OPEB	6,892,335	6,510,686
Total deferred inflows of resources	58,778,324	33,954,528
Net Position		
Net investment in capital assets	14,454,987	17,606,158
Restricted	5,235,017	3,710,784
Unrestricted (deficit)	(45,548,226)	(54,117,674)
Total net position (deficit)	$ (25,858,222)	$ (32,800,732)

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

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

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

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

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

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

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

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

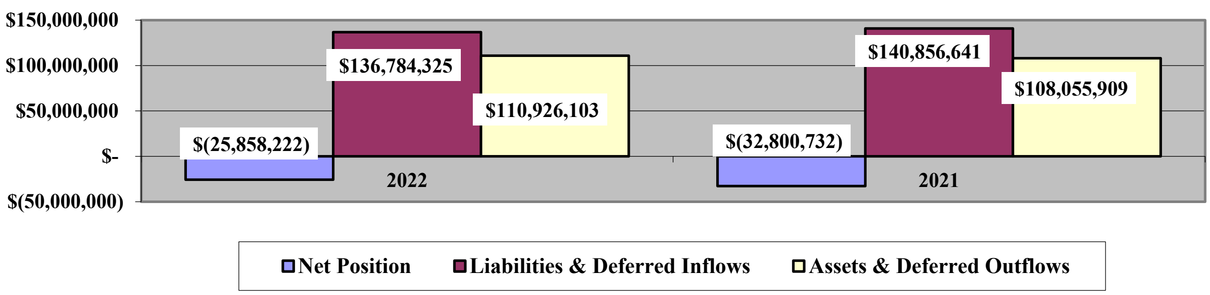
Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2022, the District's liabilities plus deferred inflows of resources exceeded assets plus deferred outflows of resources by $25,858,222.

At year end, capital assets represented 45.88% of total assets. Capital assets include land, buildings and improvements, furniture and equipment and vehicles. Net investment in capital assets at June 30, 2022, was $14,454,987. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, $5,235,017, represents resources that are subject to external restriction on how they may be used. The remaining balance is a deficit of unrestricted net position.

The graph below presents the District's governmental assets and deferred outflows of resources, liabilities and deferred inflows of resources and net position for fiscal years 2022 and 2021.

Governmental Activities



Total assets increased by $2,486,607 and deferred outflows increased by $383,587. Property taxes receivable contributed $32,097,587 or 32.94% of total assets. Of this amount $27,437,969 is offset as deferred inflows, which is revenue to be used in future periods.

Total liabilities for Governmental Activities totaled $78,006,001; of this amount $68,761,000 or 88.15% is included in long-term liabilities. Total long-term liabilities decreased by $28,270,525 due primarily to a decrease in the net pension liability.

By comparing assets, deferred outflows of resources, liabilities, and deferred inflows of resources one can see the overall position of the District is acceptable.

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

Change in Net Position

	Governmental Activities 2022	Governmental Activities 2021
Revenues		
Program revenues:		
Charges for services and sales	$ 1,390,891	$ 947,321
Operating grants and contributions	7,223,325	4,662,216
Capital grants and contributions	41,566	50,268
General revenues:		
Property taxes	33,974,148	29,480,192
Grants and entitlements	15,262,875	16,013,224
Investment earnings	(87,103)	36,868
Loss on sale of asset	(608,840)	-
Other	120,838	432,902
Total revenues	$ 57,317,700	$ 51,622,991

Change in Net Position (continued)

	Governmental Activities 2022	Governmental Activities 2021
Expenses		
Program expenses:		
Instruction:		
Regular	$ 21,910,808	$ 24,700,208
Special	7,804,011	9,194,271
Vocational	1,230	-
Other	113,334	92,418
Support services:		
Pupil	2,188,511	2,451,103
Instructional staff	1,555,068	1,370,539
Board of education	344,846	199,090
Administration	3,409,299	3,700,843
Fiscal	1,058,144	1,001,351
Operations and maintenance	4,482,390	4,919,895
Pupil transportation	2,394,979	2,355,235
Central	608,269	705,885
Operation of non-instructional services:		
Other non-instructional services	197,376	295,799
Food service operations	1,347,480	1,028,832
Extracurricular activities	1,733,297	1,870,300
Interest and fiscal charges	1,226,148	1,192,830
Total expenses	50,375,190	55,078,599
Change in net position	6,942,510	(3,455,608)
Net position at beginning of year	(32,800,732)	(29,345,124)
Net position at end of year	$ (25,858,222)	$ (32,800,732)

Governmental Activities

Net position of the District's governmental activities increased $6,942,510 from the 2021 deficit balance. Total governmental expenses of $50,375,190 were offset by program revenues of $8,655,782 and general revenues of $48,661,918. Program revenues supported 17.18% of the total governmental expenses.

The majority of revenue supporting all Governmental Activities is General revenue. General revenue totaled $48,661,918 or 84.90% of total revenue. The most significant portion of the General revenue is the local property tax. The remaining amount of revenue received was in the form of program revenues, which equated to $8,655,782 or 15.10% of total revenue.

The District prepared and closely monitored its five-year financial forecast that included forecasted revenues and expenditures for the District's primary General operating fund.

House Bill 920 effectively freezes tax revenue to a specific dollar amount the minute a levy is passed. This House Bill also eliminates any growth from local revenue; therefore, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of academically excellent service.

Although the District relies heavily upon local property taxes to support its operations, the District does actively solicit and receive grant and entitlement funds to help offset some operating costs. Property taxes made up 59.27% of revenues for governmental activities for the District in fiscal year 2022.

Approximately 59.21% of the District's budget is used for instructional expenses. Supporting services for pupils, staff and District operations account for an additional 31.84%. The remaining amount of program expenses, roughly 8.94%, is budgeted to facilitate other obligations of the District including other non-instructional services, food service operations, extracurricular activities, and interest and fiscal charges.

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

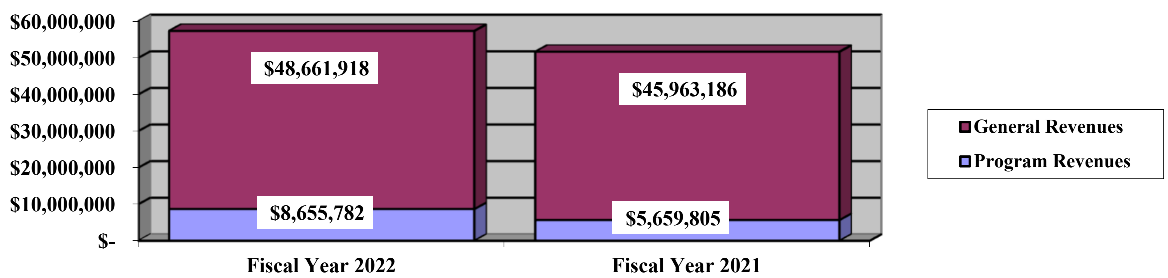
Governmental Activities

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Program expenses:				
Instruction:				
Regular	$ 21,910,808	$ 20,307,631	$ 24,700,208	$ 23,576,385
Special	7,804,011	5,459,461	9,194,271	6,796,094
Vocational	1,230	1,230	-	-
Other	113,334	113,334	92,418	92,418
Support services:				
Pupil	2,188,511	1,607,699	2,451,103	2,449,355
Instructional staff	1,555,068	1,380,658	1,370,539	1,316,994
Board of Education	344,846	337,721	199,090	188,027
Administration	3,409,299	3,356,069	3,700,843	3,553,439
Fiscal	1,058,144	1,058,144	1,001,351	1,001,351
Operations and maintenance	4,482,390	4,443,250	4,919,895	4,672,960
Pupil transportation	2,394,979	2,153,380	2,355,235	2,166,193
Central	608,269	287,281	705,885	694,365
Operation of non-instructional services				
Other non-instructional services	197,376	(55,747)	295,799	16,920
Food service operations	1,347,480	(918,157)	1,028,832	216,296
Extracurricular activities	1,733,297	961,306	1,870,300	1,485,167
Interest and fiscal charges	1,226,148	1,226,148	1,192,830	1,192,830
Total expenses	$ 50,375,190	$ 41,719,408	$ 55,078,599	$ 49,418,794

The dependence upon tax and other general revenues for governmental activities is apparent; 86.77% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 82.82%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio, as a whole, are by far the primary support for District's students.

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

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of $10,895,112 which is greater than last year's total balance of $3,820,647. The schedule on the following page indicates the fund balance and the total change in fund balance as of June 30, 2022 and 2021.

	Fund Balance June 30, 2022	Fund Balance (Deficit) June 30, 2021	Increase (Decrease)	Percentage Change
General	$ 5,331,913	$ 410,953	$ 4,920,960	1,197.45 %
Other Governmental	5,563,199	3,409,694	2,153,505	63.16 %
Total	$ 10,895,112	$ 3,820,647	$ 7,074,465	185.16 %

General Fund

The District's general fund balance increased $4,920,960 from a fund balance of $410,953 to a fund balance of $5,331,913.

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	2022 Amount	2021 Amount	Increase (Decrease)	Percentage Change
Revenues				
Taxes	$ 31,875,268	$ 26,997,072	$ 4,878,196	18.07 %
Tuition and fees	323,396	251,692	71,704	28.49 %
Earnings on investments	(61,321)	14,118	(75,439)	(534.35) %
Intergovernmental	17,208,488	17,828,780	(620,292)	(3.48) %
Other revenues	833,814	934,652	(100,838)	(10.79) %
Total	$ 50,179,645	$ 46,026,314	$ 4,153,331	9.02 %
Expenditures				
Instruction	$ 28,355,937	$ 27,806,591	$ 549,346	1.98 %
Support services	15,597,142	14,285,471	1,311,671	9.18 %
Non-instructional services	644	578	66	11.42 %
Extracurricular activities	698,465	665,650	32,815	4.93 %
Capital outlay	49,589	254,499	(204,910)	(80.52) %
Debt service	253,908	101,084	152,824	151.19 %
Total	$ 44,955,685	$ 43,113,873	$ 1,841,812	4.27 %

Revenues of the general fund increased $4,153,331 or 9.02%. Property taxes revenue increased $4,878,196 or 18.07% due to increased collections during fiscal year 2022. The District's voters passed a new operating levy on April 28, 2020. Fiscal year 2022 was the first fiscal year that saw collections on this levy. Intergovernmental revenue decreased $620,292 due to a decrease in grant revenue during fiscal year 2022. The $75,439 decrease in earnings on investments is due to a decrease in interest rates and fair market values of investments during the current fiscal year.

Expenditures of the general fund increased $1,841,812 or 4.27%. Instruction expenditures increased $549,346 primarily due to an ability to use ESSER and other CARES Act funds for expenditures instead of general fund money. Support service expenditures varied due to fluctuations in personnel costs. Capital outlay decreased $204,910 due to less capital asset additions during fiscal year 2022. All other expenditures remained consistent with the prior year.

General Fund Budgeting Highlights

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

During the course of fiscal year 2022, the District amended its general fund budget several times. For the general fund, original budgeted revenues and other financing sources of $49,073,173 were increased in the final budget to $49,943,773. Actual revenues and other financing sources for fiscal year 2022 were $50,008,087. This represents a $64,314 increase from final budgeted revenues and other financing sources.

General fund original appropriations (appropriated expenditures including other financing uses) were $49,075,512 were increased in the final appropriations to $49,425,512. The actual budget basis expenditures for fiscal year 2022 totaled $47,044,741 which was $2,380,771 lower than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2022, the District had $44,705,519 in land, buildings and improvements, furniture and equipment, intangible right to use asset and vehicles. This entire amount is reported in governmental activities.

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

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2022	2021
Land	$ 261,509	$ 1,961,920
Building and improvements	39,974,091	42,048,579
Furniture and equipment	3,222,084	3,210,198
Intangible right to use asset	262,777	371,729
Vehicles	985,058	859,331
Total	$ 44,705,519	$ 48,451,757

The overall decrease in capital assets of $3,746,238 is due to depreciation/amortization expense of $2,670,232 plus disposals of $1,784,037 exceeding capital outlays of $708,031. See Note 8 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

At June 30, 2022, the District had general obligation bonds, bond payables, lease payables, and finance purchase agreements outstanding. Of the total long-term debt outstanding, $820,865 due within one year and $30,475,174 is due in greater than one year.

The following table summarizes the leases and bonds outstanding.

Outstanding Debt, at Year End

	Governmental Activities 2022	Governmental Activities 2021
General Obligation Bonds	$ 30,445,552	$ 30,355,421
Lease Payables	322,044	426,417
Finance Purchase Agreement	528,443	793,205
Total	$ 31,296,039	$ 31,575,043

See Note 13 to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

The District is set in a bedroom community made up of Olmsted Township, Olmsted Falls and small residential areas in North Olmsted, Berea and Columbia. Overall the District has kept a steady student enrollment averaging about 240 students per grade level.

As the preceding information shows, the District heavily depends on its residential property taxpayers. With multiple growing residential developments and rising property values, the District expects to see a slow increase in real estate taxes. This increase will help offset the amount of additional revenue that is needed. Through prudent management, the District has managed without new operating money since February 2, 2010. An 8.9 mil current expense levy successfully passed on the ballot April 28, 2021. The continued financial support of the District demonstrates the strong belief of parents and community members that their schools are one of the highest priorities and one of the most important public institutions in the community.

The District is working hard to provide complete transparency to the Community through various mailing publications. These are mailed to all homes within the District. Some of the publications include quarterly school news reports, annual quality profile along with an annual financial prospectus. These publications have shown all the wonderful things that are occurring throughout the District thanks to the dollars received from all our tax payers. The District has continued to provide Community transparency through their annual State of the Schools presentation. This evening presentation by the Superintendent and Treasurer is another time for the Community, Staff, and Parents to come out and show their support while hearing more about some of the wonderful things happening in our District.

The Olmsted Falls City School District has committed itself to not only Arts, Academic and Athletic success but also financial excellence with 10 consecutive years of receiving the Auditor of State Award. This report represents the School District's implementation of the Governmental Accounting Standards Board's (GASB) financial reporting model under Governmental Accounting and Financial Reporting Standards Statement No. 34 (GASB Statement No. 34). Olmsted Falls City School District is committed to continuous improvement in financial reporting to our community.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the district's finances and to demonstrate accountability over the money it receives. If you have questions about this report or need additional financial information, contact Brett Robson, Treasurer, at Olmsted Falls City School District, 26937 Bagley Road, Olmsted Falls, Ohio 44138.

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OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2022

		Governmental Activities
Assets:		
Equity in pooled cash and cash equivalents	$	15,279,271
Cash in segregated accounts		470,361
Receivables:		
Property taxes		32,097,587
Accounts		66,900
Accrued interest		2,535
Intergovernmental		188,381
Materials and supplies inventory		461,444
Inventory held for resale		21,189
Net OPEB asset		3,617,072
Restricted cash		535,082
Capital assets:		
Nondepreciable capital assets		261,509
Depreciable capital assets, net		44,444,010
Capital assets, net		44,705,519
Total assets		97,445,341
Deferred outflows of resources:		
Unamortized deferred charges on debt refunding		483,574
Pension		11,531,993
OPEB		1,465,195
Total deferred outflows of resources		13,480,762
Liabilities:		
Accounts payable		524,596
Accrued wages and benefits payable		5,179,234
Intergovernmental payable		149,215
Pension and post employment benefits payable		790,473
Accrued interest payable		108,534
Notes payable		1,681,000
Claims payable		811,949
Long-term liabilities:		
Due within one year		1,229,629
Due in more than one year:		
Net pension liability		29,124,342
Net OPEB liability		3,717,430
Other amounts due in more than one year		34,689,599
Total liabilities		78,006,001
Deferred inflows of resources:		
Property taxes levied for the next fiscal year		27,437,969
Pension		24,448,020
OPEB		6,892,335
Total deferred inflows of resources		58,778,324
Net position:		
Net investment in capital assets		14,454,987
Restricted for:		
Capital projects		1,162,761
Permanent fund - expendable		290
Permanent fund - nonexpendable		100,000
Classroom facilities maintenance		81,294
Debt service		2,834,782
State funded programs		91,906
Federally funded programs		54,612
Food service operations		635,581
Extracurricular		203,322
Other purposes		70,469
Unrestricted (deficit)		(45,548,226)
Total net position	$	(25,858,222)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Governmental activities:					
Instruction:					
Regular	$ 21,910,808	$ 527,212	$ 1,034,399	$ 41,566	$ (20,307,631)
Special	7,804,011	76,876	2,267,674	-	(5,459,461)
Vocational	1,230	-	-	-	(1,230)
Other	113,334	-	-	-	(113,334)
Support services:					
Pupil	2,188,511	-	580,812	-	(1,607,699)
Instructional staff	1,555,068	-	174,410	-	(1,380,658)
Board of education	344,846	-	7,125	-	(337,721)
Administration	3,409,299	-	53,230	-	(3,356,069)
Fiscal	1,058,144	-	-	-	(1,058,144)
Operations and maintenance	4,482,390	17,609	21,531	-	(4,443,250)
Pupil transportation	2,394,979	2,501	239,098	-	(2,153,380)
Central	608,269	-	320,988	-	(287,281)
Operation of non-instructional services:					
Food service operations	1,347,480	282,804	1,982,833	-	918,157
Other non-instructional services	197,376	-	253,123	-	55,747
Extracurricular activities	1,733,297	483,889	288,102	-	(961,306)
Interest and fiscal charges	1,226,148	-	-	-	(1,226,148)
Totals	$ 50,375,190	$ 1,390,891	$ 7,223,325	$ 41,566	(41,719,408)

General revenues:	
Property taxes levied for:	
General purposes	31,763,962
Debt service	1,648,992
Permanent improvement	561,194
Grants and entitlements not restricted to specific programs	15,262,875
Investment earnings	(87,103)
Miscellaneous	120,838
Loss on sale of asset	(608,840)
Total general revenues	48,661,918
Total general revenues, transfers and extraordinary items	48,661,918
Change in net position	6,942,510
Net position at beginning of year	(32,800,732)
Net position at end of year	$ (25,858,222)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash			
and cash equivalents	$ 9,671,124	$ 5,588,060	$ 15,259,184
Receivables:			
Property taxes	29,955,153	2,142,434	32,097,587
Accounts	66,414	486	66,900
Accrued interest	2,535	-	2,535
Interfund loans	151,664	-	151,664
Intergovernmental	90,631	82,858	173,489
Materials and supplies inventory	455,484	5,960	461,444
Inventory held for resale	-	21,189	21,189
Restricted assets:			
Equity in pooled cash			
and cash equivalents	535,082	-	535,082
Total assets	$ 40,928,087	$ 7,840,987	$ 48,769,074
Liabilities:			
Accounts payable	$ 445,289	$ 79,307	$ 524,596
Accrued wages and benefits payable	5,057,831	121,403	5,179,234
Compensated absences payable	216,989	16,732	233,721
Early retirement incentive payable	142,687	15,509	158,196
Intergovernmental payable	147,881	1,334	149,215
Pension and post employment benefits payable	764,903	25,570	790,473
Interfund loans payable	-	151,664	151,664
Accrued interest payable	20,393	-	20,393
Notes payable	1,681,000	-	1,681,000
Total liabilities	8,476,973	411,519	8,888,492
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	25,708,085	1,729,884	27,437,969
Delinquent property tax revenue not available	1,322,426	94,581	1,417,007
Intergovernmental revenue not available	87,199	41,804	129,003
Accrued interest not available	1,491	-	1,491
Total deferred inflows of resources	27,119,201	1,866,269	28,985,470
Fund balances:			
Nonspendable:			
Materials and supplies inventory	455,484	5,960	461,444
Permanent fund	-	100,000	100,000
Unclaimed monies	14,172	-	14,172
Restricted:			
Debt service	-	2,851,890	2,851,890
Capital improvements	535,082	1,433,234	1,968,316
Classroom facilities maintenance	-	81,294	81,294
Food service operations	-	675,836	675,836
Non-public schools	-	58,273	58,273
State funded programs	-	33,570	33,570
Federally funded programs	-	24,328	24,328
Extracurricular	-	253,657	253,657
Permanent fund	-	290	290
Other purposes	-	56,297	56,297
Assigned:			
Student instruction	39,216	-	39,216
Student and staff support	616,296	-	616,296
Extracurricular activities	128	-	128
Other purposes	250	-	250
Unassigned (deficit)	3,671,285	(11,430)	3,659,855
Total fund balances	5,331,913	5,563,199	10,895,112
Total liabilities, deferred inflows and fund balances	$ 40,928,087	$ 7,840,987	$ 48,769,074

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

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

Total governmental fund balances		$ 10,895,112
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		44,705,519
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 1,417,007	
Accrued interest receivable	1,491	
Intergovernmental receivable	129,003	
Total		1,547,501
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		(306,609)
Unamortized amounts on refundings are not recognized in the funds.		483,574
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(88,141)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	11,531,993	
Deferred inflows - pension	(24,448,020)	
Net pension liability	(29,124,342)	
Deferred outflows - OPEB	1,465,195	
Deferred inflows - OPEB	(6,892,335)	
Net OPEB asset	3,617,072	
Net OPEB liability	(3,717,430)	
Total		(47,567,867)
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	(29,927,952)	
Capital lease obligations	(850,487)	
Other bonds payable	(517,600)	
Compensated absences	(4,231,272)	
Total		(35,527,311)
Net position of governmental activities		$ (25,858,222)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

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

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property taxes	$ 31,875,268	$ 2,227,895	$ 34,103,163
Intergovernmental	17,208,488	4,875,286	22,083,774
Investment earnings	(61,321)	2,921	(58,400)
Tuition and fees	323,396	-	323,396
Extracurricular	349,003	313,238	662,241
Rental income	17,609	-	17,609
Charges for services	273,530	282,804	556,334
Contributions and donations	8,160	50,299	58,459
Miscellaneous	185,512	173,381	358,893
Total revenues	50,179,645	7,925,824	58,105,469
Expenditures:			
Current:			
Instruction:			
Regular	20,801,347	1,028,069	21,829,416
Special	7,441,256	777,220	8,218,476
Other	113,334	-	113,334
Support services:			
Pupil	2,227,363	111,362	2,338,725
Instructional staff	1,467,190	171,921	1,639,111
Board of education	339,654	7,539	347,193
Administration	3,635,996	69,862	3,705,858
Fiscal	1,096,506	1,172	1,097,678
Operations and maintenance	4,027,146	63,544	4,090,690
Pupil transportation	2,300,515	159,821	2,460,336
Central	502,772	317,091	819,863
Operation of non-instructional services:			
Food service operations	-	1,419,163	1,419,163
Other non-instructional services	644	188,427	189,071
Extracurricular activities	698,465	1,225,682	1,924,147
Facilities acquisition and construction	49,589	458,734	508,323
Debt service:			
Principal retirement	183,773	679,762	863,535
Interest and fiscal charges	70,135	1,133,610	1,203,745
Bond issuance costs	-	500	500
Total expenditures	44,955,685	7,813,479	52,769,164
Excess of revenues over expenditures	5,223,960	112,345	5,336,305
Other financing sources (uses):			
Sale of bonds	597,000	-	597,000
Sale of assets	-	1,141,160	1,141,160
Transfers in	-	900,000	900,000
Transfers (out)	(900,000)	-	(900,000)
Total other financing sources (uses)	(303,000)	2,041,160	1,738,160
Net change in fund balances	4,920,960	2,153,505	7,074,465
Fund balances at beginning of year	410,953	3,409,694	3,820,647
Fund balances at end of year	$ 5,331,913	$ 5,563,199	$ 10,895,112

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

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

Net change in fund balances - total governmental funds		$ 7,074,465
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	$ 708,031	
Current year depreciation	(2,670,232)	
Total		(1,962,201)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(1,784,037)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(129,015)	
Earnings on investments	(26,548)	
Intergovernmental	(23,766)	
Total		(179,329)
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		863,535
Issuance of bonds are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		(597,000)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Change in accrued interest payable	169	
Accreted interest on capital appreciation bonds	(56,583)	
Amortization of bond discounts	(5,470)	
Amortization of bond premiums	74,522	
Amortization of deferred charges	(34,541)	
Total		(21,903)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	3,954,339	
OPEB	121,961	
Total		4,076,300
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	308,539	
OPEB	325,142	
Total		633,681
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		359,555
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		(1,520,556)
Change in net position of governmental activities		$ 6,942,510

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property taxes	$ 30,000,673	$ 30,725,873	$ 30,768,663	$ 42,790
Intergovernmental	17,617,000	17,286,400	17,290,788	4,388
Investment earnings	50,000	41,000	41,156	156
Tuition and fees	116,000	127,000	129,107	2,107
Extracurricular	83,000	113,000	114,675	1,675
Rental income	42,500	14,500	17,609	3,109
Charges for services	187,000	252,000	251,820	(180)
Contributions and donations	60,000	(32,000)	(32,500)	(500)
Miscellaneous	352,000	727,000	137,485	(589,515)
Total revenues	48,508,173	49,254,773	48,718,803	(535,970)
Expenditures:				
Current:				
Instruction:				
Regular	21,793,078	20,933,020	20,508,689	424,331
Special	8,818,459	8,320,649	8,065,775	254,874
Other	107,503	104,876	100,000	4,876
Support services:				
Pupil	2,284,162	2,278,628	2,237,427	41,201
Instructional staff	1,364,363	1,260,622	1,219,673	40,949
Board of education	233,252	325,890	310,884	15,006
Administration	3,653,375	3,743,668	3,651,664	92,004
Fiscal	1,057,839	1,084,377	1,068,113	16,264
Operations and maintenance	4,144,381	4,547,480	4,185,824	361,656
Pupil transportation	2,294,371	2,968,678	2,707,894	260,784
Central	704,287	648,422	616,996	31,426
Operation of non-instructional services				
Other non-instructional services	626	946	944	2
Extracurricular activities	361,362	461,210	456,828	4,382
Facilities acquisition and construction	126,352	55,525	55,521	4
Debt service:				
Principal	853,866	1,731,401	898,400	833,001
Interest and fiscal charges	48,177	60,120	60,109	11
Total expenditures	47,845,453	48,525,512	46,144,741	2,380,771
Excess (deficiency) of revenues over (under) expenditures	662,720	729,261	2,574,062	1,844,801
Other financing sources (uses):				
Refund of prior year's expenditures	365,000	655,000	657,316	2,316
Transfers (out)	(1,230,059)	(900,000)	(900,000)	-
Advances in	40,000	34,000	34,968	968
Issuance of bonds	125,000	-	597,000	597,000
Sale of capital assets	35,000	-	-	-
Total other financing sources (uses)	(665,059)	(211,000)	389,284	600,284
Net change in fund balance	(2,339)	518,261	2,963,346	2,445,085
Fund balance at beginning of year	4,845,580	4,845,580	4,845,580	-
Prior year encumbrances appropriated	1,332,168	1,332,168	1,332,168	-
Fund balance at end of year	$ 6,175,409	$ 6,696,009	$ 9,141,094	$ 2,445,085

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022

	Governmental Activities - Internal Service Fund
Assets:	
Equity in pooled cash and cash equivalents	$ 20,087
Cash in segregated accounts	470,361
Receivables:	
Intergovernmental	14,892
Total assets	505,340
Liabilities:	
Claims payable	811,949
Total liabilities	811,949
Net position:	
Unrestricted (deficit)	(306,609)
Total net position (deficit)	$ (306,609)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

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

	Governmental Activities - Internal Service Fund
Operating revenues:	
Sales/charges for services	$ 5,990,025
Stop-loss premium	922,246
Total operating revenues	6,912,271
Operating expenses:	
Purchased services	488,789
Claims and administrative services	7,944,438
Total operating expenses	8,433,227
Operating loss	(1,520,956)
Nonoperating revenues:	
Investment income	400
Total nonoperating revenues	400
Change in net position	(1,520,556)
Net position at beginning of year	1,213,947
Net position at end of year (deficit)	$ (306,609)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

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

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services	$ 5,975,133
Cash received from stop-loss premiums	922,246
Cash payments for purchased services	(488,789)
Cash payments for claims and administative services	(8,125,540)
Net cash used in operating activities	(1,716,950)
Cash flows from investing activities:	
Interest received	400
Net cash provided by investing activities	400
Net decrease in cash and cash cash equivalents	(1,716,550)
Cash and cash equivalents at beginning of year	2,206,998
Cash and cash equivalents at end of year	$ 490,448
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (1,520,956)
Changes in assets and liabilities:	
Intergovernmental receivable	(1,227)
Claims payable	(194,767)
Net cash used in operating activities	$ (1,716,950)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	Custodial
Assets:	
Equity in pooled cash and cash equivalents	$ 2,470
Total assets	2,470
Net position:	
Restricted for individuals, organizations and other governments	2,470
Total net position	$ 2,470

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

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

	Custodial
Additions:	
Amounts received as fiscal agent	$ 15,875
Total additions	15,875
Deductions:	
Distributions as fiscal agent	15,875
Total deductions	15,875
Change in net position	-
Net position at beginning of year	2,470
Net position at end of year	$ 2,470

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE DISTRICT

The Olmsted Falls City School District (the "District") operates under a locally elected five-member Board and provides educational services as mandated by State statute and federal guidelines.

The District includes the City of Olmsted Falls, Olmsted Township, small portions of the Cities of Berea and North Olmsted, and a small portion of Columbia Township. All of the communities served are located in Cuyahoga County with the exception of Columbia Township, which is located in Lorain County. The District is staffed by 221 certified, 219 non-certified, and 21 administrative personnel who provide services to 3,494 students and other community members. The District currently operates an early childhood center (Pre K-K), primary school (1-3), an intermediate school (4-5), a middle school (6-8) and a high school (9-12).

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the District consists of funds, agencies, departments and offices that are not legally separate from the District. For Olmsted Falls City School District, the agencies and departments provide the following services: general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. The District does not have any component units.

The District participates in three jointly governed organizations, two insurance purchasing pools and one risk sharing pool. These organizations are Connect, the Ohio Schools Council Association, the Polaris Career Center, Great Lake Regional COG, the Ohio School Boards Association Workers' Compensation Group Rating Program, and the Schools of Ohio Risk Sharing Authority.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Olmsted Falls City 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 most significant of the District's accounting policies are described below.

A. Basis of Presentation

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

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" of revenues and expenses. These statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District has no business-type activities.

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

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

Fund Financial Statements - During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. The internal service fund is presented in a single column on the face of the internal service fund statements. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

B. Fund Accounting

The District uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

GOVERNMENTAL FUNDS

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

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

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

Proprietary Fund Type - Proprietary funds focus on the determination of operating income, changes in net position, financial position and cash flows and are classified as either enterprise or internal service. The District has an internal service fund and no enterprise funds.

Internal Service Fund - The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost reimbursement basis. The District's internal service fund is:

Self-Insurance Fund - This fund accounts for monies received from other funds and employees as payment for providing medical, hospitalization, dental, and vision insurance benefits. The self-insurance fund may make payments for services provided to employees, reimbursements to employees who have paid providers, to third party administrators for claim payments or administration, for stop-loss coverage, other reinsurance, or other similar purposes.

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

Fiduciary Fund Type - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's only fiduciary funds are custodial funds.

C. Measurement Focus

Government-Wide Financial Statements - The government-wide statements are prepared using the economic resources measurement focus. All assets and deferred inflows of resources and all liabilities and deferred outflows of resources associated with the operation of the District are included on the statement of net position. The statement of activities presents increases (i.e.; revenues) and decreases (i.e.; expenses) in total net position.

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

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

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting on the fund financial statements. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences between the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Notes 10 and 11 for deferred outflows of resources related the District's net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

For the District, see Notes 10 and 11 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

E. Budgetary Process

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

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate in effect when the final appropriations were passed prior to fiscal year-end.

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

F. Cash and Cash Equivalents

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

During the fiscal year, the District had investments in federal agency securities, the State Treasury Asset Reserve of Ohio (STAR Ohio), U.S. Treasury note, nonnegotiable certificates of deposit, and U.S. Government money market. Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices.

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

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

The District also invests in STAR Plus, a federally insured cash account powered by the Federally Insured Cash Account (FICA) program. STAR Plus enables political subdivisions to generate a competitive yield on cash deposits in a network of carefully-selected FDIC-insured banks via a single, convenient account. STAR Plus offers attractive yields with no market or credit risk, weekly liquidity and penalty free withdrawals. All deposits with STAR Plus have full FDIC insurance, with no term commitment on deposits.

Under existing Ohio statute, interest earnings are allocated to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal 2022 amounted to ($61,321), which includes ($24,554) assigned from other District funds.

Investments with original maturities of three months or less at the time they are purchased by the District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

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

G. Restricted Assets

Assets are restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. The District had no restricted assets at fiscal year-end.

H. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of donated food, purchased food, school supplies held for resale and materials and supplies held for consumption.

I. Capital Assets

All capital assets of the District are classified as general capital assets. These assets generally result from expenditures in the governmental funds. They are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value. The District maintains a capitalization threshold of $500. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

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

Description	Estimated Lives
Building and Improvements	15 - 40 years
Furniture and Equipment	5 - 15 years
Intangible leased assets	5 years
Vehicles	5 - 10 years

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

J. Bond Premium and Discount

On the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an increase of the face amount of the bonds payable. On the governmental fund statements, bond premiums are receipted in the year the bonds are issued. On the government-wide financial statements, bond discounts are presented as a decrease of the face amount of the bonds payable. On the fund financial statements, bond discounts are expended in the year the bonds are issued.

Bond issuance costs are expended when incurred.

K. Gain/Loss on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method, and is presented as deferred outflows of resources on the statement of net position.

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

L. Compensated Absences

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 District has identified as probable to receive 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 District's termination policy. The District records a liability for accumulated unused sick leave for employees after nine years of current service with the District.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the general fund.

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements and all payables, accrued liabilities and long-term obligations payable from the internal service fund are reported on the internal service fund financial statements.

In general, governmental fund payables and accrued liabilities, that have been incurred, are paid in a timely manner from current financial resources and 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. Bonds are recognized as a liability on the government fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

N. Net Position

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

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

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

O. Fund Balance

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

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes. The Board of Education assigns fund balance by resolution. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget.

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

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

P. Interfund Activity

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

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Operating expenses are necessary costs incurred to provide the goods or service that are the primary activity of the funds. All revenues and expenses not meeting this definition are reported as non-operating.

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

R. Extraordinary and Special Items

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

S. Estimates

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

T. Pensions/Other Postemployment Benefits (OPEB)

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

U. Fair Value

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

V. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

On the fund financial statements, reported prepayments are equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. There were no prepayments made during the current fiscal year.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2022, the District has implemented GASB Statement No. 87, "*Leases*", GASB Implementation Guide 2019-3, "*Leases*", GASB Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*", GASB Implementation Guide 2020-1, "*Implementation Guide Update - 2020*", GASB Statement No. 92, "*Omnibus 2020*", GASB Statement No. 93, "*Replacement of Interbank Offered Rates*", GASB Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*" and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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

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

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

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

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

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

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

Fund balances at June 30, 2022 included the following individual fund deficits:

Nonmajor funds	Deficit
Elementary and secondary school emergency	$ 5,691
IDEA part B	3,116
Supportive effective instruction	2,623

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

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

4. Bonds and other obligations of the State of Ohio; and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

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. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash with Segregated Account

The District is self-insured through the Great Lakes COG. The cash held in segregated accounts for the COG at June 30, 2022 was held by Berea City School District, the fiscal agent. The District's portion is $470,361 and this is the amount reported in the District's internal service fund.

B. Cash on Hand

At fiscal year end, the District had $2,100 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and cash equivalents".

C. Deposits with Financial Institutions

At June 30, 2022, the carrying amount of all District deposits was $1,233,842 and the bank balance of all District deposits was $1,443,067. Of the bank balance, $500,000 was covered by federal depository insurance and $943,067 was covered by the Ohio Pooled Collateral System (OPCS).

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2022, the District's financial institutions were approved for collateral rates ranging from 50 to 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

D. Investments

As of June 30, 2022, the District had the following investments and maturities:

		Investment Maturities				
Measurement/ Investment type	Fair Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair Value:						
Negotiable CD's	$ 94,380	$ -	$ 94,380	$ -	$ -	$ -
FHLB	1,240,879	-	48,722	48,348	239,510	904,299
FHLMC	82,721	-	-	-	-	82,721
FNMA	48,674	-	-	48,674	-	-
FFCB	411,619	-	146,461	97,141	47,652	120,365
U.S. Government money market	783,254	783,254	-	-	-	-
US Treasury Note	2,284,897	-	533,997	439,469	204,780	1,106,651
Amortized Cost:						
STAR Ohio	9,634,457	9,634,457	-	-	-	-
Total	$ 14,580,881	$ 10,417,711	$ 823,560	$ 633,632	$ 491,942	$ 2,214,036

The weighted average maturity of investments is 0.69 years.

The District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities and US Treasury Note are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: Interest rate risk arises potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: STAR Ohio carries a rating of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investment policy does not address credit risk beyond the adherence to Chapter 135 of the Ohio Revised Code. The federal agency securities have been assigned a rating of AA+ by Standard & Poor's and a rating of Aaa by Moody's.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2022:

Measurement/ Investment type	Fair Value	% of Total
Fair Value:		
Negotiable CD's	$ 94,380	0.65
FFCB	411,619	2.82
FHLB	1,240,879	8.51
FHLMC	82,721	0.57
FNMA	48,674	0.33
U.S. Government money market	783,254	5.37
U.S. Treasury note	2,284,897	15.67
Amortized Cost:		
STAR Ohio	9,634,457	66.08
Total	$ 14,580,881	100.00

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

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

Cash and investments per note	
Carrying amount of deposits	$ 1,233,842
Investments	14,580,881
Cash on hand	2,100
Cash in segregated accounts	470,361
Total	$ 16,287,184
Cash and investments per statement of net position	
Governmental activities	$ 16,284,714
Custodial funds	2,470
Total	$ 16,287,184

NOTE 5 - INTERFUND TRANSACTIONS

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

	Amount
Transfers from the general fund to:	
Nonmajor governmental funds	$ 900,000

Transfers are used to move revenues from the fund that statute or budget requires them to be collected in to the fund that statute or budget requires them to be expended from and to use unrestricted revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers between governmental funds are eliminated on the government-wide statements.

NOTE 5 - INTERFUND TRANSACTIONS – (Continued)

B. Interfund balances at June 30, 2022, as reported on the fund statements, consist of the following amounts interfund loans payable and receivable:

Receivable fund	Payable fund	Amount
General fund	Nonmajor governmental funds	$ 151,664

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

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

NOTE 6 - PROPERTY TAXES

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

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

The District receives property taxes from Cuyahoga and Lorain Counties. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2022, are available to finance fiscal year 2022 operations. The amount available as an advance at June 30, 2022 was $2,924,642 in the general fund, $259,766 in the bond retirement fund (a nonmajor governmental fund) and $58,203 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2021 was $1,818,037 in the general fund, $155,933 in the bond retirement fund (a nonmajor governmental fund) and $35,650 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

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

NOTE 6 - PROPERTY TAXES - (Continued)

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

	2021 Second Half Collections		2022 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 573,277,610	96.77	$ 672,649,150	97.06
Public utility personal	19,151,660	3.23	20,362,910	2.94
Total	$ 592,429,270	100.00	$ 693,012,060	100.00
Tax rate per $1,000 of assessed valuation	$106.90		$106.90	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2022 consisted of property taxes, accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported in the statement of net position follows:

Governmental activities:	
Property taxes	$ 32,097,587
Accounts	66,900
Accrued interest	2,535
Intergovernmental	188,381
Total	$ 32,355,403

NOTE 8 - CAPITAL ASSETS

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

	Balance July 1, 2021	Additions	Disposals	Balance June 30, 2022
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 1,961,920	$ -	$ (1,750,000)	$ 211,920
Construction in progress	-	49,589	-	49,589
Total capital assets, not being depreciated/amortized	1,961,920	49,589	(1,750,000)	261,509
Capital assets, being depreciated/amortized:				
Buildings and improvements	72,698,390	-	-	72,698,390
Furniture and equipment	13,988,424	371,320	(7,261)	14,352,483
Intangible right to use asset	544,764	-	-	544,764
Vehicles	3,863,305	287,122	(132,276)	4,018,151
Total capital assets, being depreciated/amortized	91,094,883	658,442	(139,537)	91,613,788
Less: accumulated depreciation/amortization:				
Buildings and improvements	(30,649,811)	(2,074,488)	-	(32,724,299)
Furniture and equipment	(10,778,226)	(359,364)	7,191	(11,130,399)
Intangible right to use asset	(173,035)	(108,952)	-	(281,987)
Vehicles	(3,003,974)	(127,428)	98,309	(3,033,093)
Total accumulated depreciation/amortization	(44,605,046)	(2,670,232)	105,500	(47,169,778)
Governmental activities capital assets, net	$ 48,451,757	$ (1,962,201)	$ (1,784,037)	$ 44,705,519

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 1,596,211
Special	7,879
Vocational	1,230
Support services:	
Pupil	4,051
Instructional staff	360
Administration	2,038
Fiscal	2,464
Operations and maintenance	791,346
Pupil transportation	125,239
Central	101,256
Operation of non-instructional services	16,160
Extracurricular activities	15,936
Food service operations	6,062
Total depreciation expense	$ 2,670,232

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2022, the District contracted with the Schools of Ohio Risk Sharing Authority (SORSA) for property insurance. The primary deductibles are $0 for property coverage. Professional liability is protected by the SORSA for all Board Members, administrators and employees with a limit of $15,000,000 per occurrence and $15,000,000 aggregate limit.

NOTE 9 - RISK MANAGEMENT - (Continued)

The Hylant Administrative Services Company maintains a $20,000 public official bond each for the Superintendent and the Board President. The Treasurer in her capacity of handling money is covered by a blanket bond in the amount of $100,000.

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

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect, and the immediate Past President of the Ohio School Boards Association. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The District provides health, prescription drugs, dental and vision insurance benefits to eligible employees who elect to participate. These benefits are partially self-insured as a result of the District's participation in the Great Lakes Regional Council of Governments. At fiscal year-end, self-insurance was in effect with stop-loss of $250,000 per person and an aggregate stop-loss of 125% of expected claims for medical and prescription. Excess losses are insured by Medical Mutual of Ohio.

The accounting for the self-insurance operation is maintained in the internal service fund. The internal service fund accounts for receipts of premiums from employees and other District funds. The internal service fund also accounts for payments of claims and administrative fees.

The claims liability of $811,949, which is reported in the internal service fund as of June 30, 2022, is based on unpaid claims costs, including an estimate for claims which have been incurred but not reported. The estimate was provided by an actuary and the third party administrator. The change in the claims liability for the last two years is presented in the following table:

Fiscal Year	Beginning Balance	Claims Incurred	Claims Payments	Ending Balance
2022	$1,006,716	$ 7,930,773	$ (8,125,540)	$ 811,949
2021	875,900	6,918,142	(6,787,326)	1,006,716

NOTE 10 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

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

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

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2022, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was $932,965 for fiscal year 2022. Of this amount, $128,993 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

The District's contractually required contribution to STRS was $3,021,374 for fiscal year 2022. Of this amount, $515,495 is reported as pension and postemployment benefits payable.

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

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

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.202851100%	0.177553430%	
Proportion of the net pension liability current measurement date	0.194856600%	0.171553833%	
Change in proportionate share	-0.007994500%	-0.005999597%	
Proportionate share of the net pension liability	$ 7,189,643	$ 21,934,699	$ 29,124,342
Pension expense	$ (435,610)	$ 127,071	$ (308,539)

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 694	$ 677,678	$ 678,372
Changes of assumptions	151,392	6,085,079	6,236,471
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	662,811	662,811
Contributions subsequent to the measurement date	932,965	3,021,374	3,954,339
Total deferred outflows of resources	$ 1,085,051	$ 10,446,942	$ 11,531,993

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 186,457	$ 137,486	$ 323,943
Net difference between projected and actual earnings on pension plan investments	3,702,874	18,903,513	22,606,387
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	423,325	1,094,365	1,517,690
Total deferred inflows of resources	$ 4,312,656	$ 20,135,364	$ 24,448,020

$3,954,339 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (1,237,292)	$ (3,063,950)	$ (4,301,242)
2024	(906,310)	(2,654,860)	(3,561,170)
2025	(880,409)	(2,970,216)	(3,850,625)
2026	(1,136,559)	(4,020,770)	(5,157,329)
Total	$ (4,160,570)	$ (12,709,796)	$ (16,870,366)

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

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

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

In 2021, Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 11,961,801	$ 7,189,643	$ 3,165,074

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

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

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

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

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

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

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

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 41,075,483	$ 21,934,699	$ 5,760,779

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

Plan Description - School Employees Retirement System (SERS)

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

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2022, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the District's surcharge obligation was $121,961.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $121,961 for fiscal year 2022. Of this amount, $121,961 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.201651800%	0.177553430%	
Proportion of the net OPEB liability/asset current measurement date	0.196421100%	0.171553833%	
Change in proportionate share	-0.005230700%	-0.005999597%	
Proportionate share of the net OPEB liability	$ 3,717,430	$ -	$ 3,717,430
Proportionate share of the net OPEB asset	$ -	$ (3,617,072)	$ (3,617,072)
OPEB expense	$ (116,630)	$ (208,512)	$ (325,142)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 39,625	$ 128,797	$ 168,422
Changes of assumptions	583,176	231,042	814,218
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	246,692	113,902	360,594
Contributions subsequent to the measurement date	121,961	-	121,961
Total deferred outflows of resources	$ 991,454	$ 473,741	$ 1,465,195

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 1,851,447	$ 662,717	$ 2,514,164
Net difference between projected and actual earnings on OPEB plan investments	80,763	1,002,588	1,083,351
Changes of assumptions	509,070	2,157,849	2,666,919
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	624,883	3,018	627,901
Total deferred inflows of resources	$ 3,066,163	$ 3,826,172	$ 6,892,335

$121,961 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2023.

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (495,288)	$ (943,841)	$ (1,439,129)
2024	(495,854)	(918,749)	(1,414,603)
2025	(465,409)	(933,245)	(1,398,654)
2026	(418,802)	(417,350)	(836,152)
2027	(242,784)	(142,036)	(384,820)
Thereafter	(78,533)	2,790	(75,743)
Total	$ (2,196,670)	$ (3,352,431)	$ (5,549,101)

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

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NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

In 2021, Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2015 through 2020 and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.27%. The discount rate used to measure total OPEB liability prior to June 30, 2021 was 2.63%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2020 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 1.92% at June 30, 2021 and 2.45% at June 30, 2020.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate (6.75% decreasing to 4.40%).

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 4,606,346	$ 3,717,430	$ 3,007,301

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 2,862,117	$ 3,717,430	$ 4,859,867

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation, compared with June 30, 2020, are presented below:

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

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

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

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Benefit Term Changes Since the Prior Measurement Date - The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

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

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

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2021, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 3,052,250	$ 3,617,072	$ 4,088,896

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 4,069,778	$ 3,617,072	$ 3,057,259

NOTE 12 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn up to twenty-five days of vacation per fiscal year, depending upon length of service. Accumulated unused vacation time acquired by classified employees expires at the end of each year. Administrators may elect to have vacation days paid out at the end of each fiscal year. Teachers do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is one-fourth of accrued, but unused sick leave credit to a maximum payment of 90 days.

B. Retirement Incentive

Certified Employees

Any member who is eligible for an unreduced benefit and retires on June 30, 2021 or retires at the end of the school year in which they first become eligible for unreduced benefit in accordance with the applicable STRS rules in effect during the life of this Agreement is eligible for this benefit and elects to return to employment as a retire/rehire.

Incentive of five hundred dollars ($500.00) for each year of STRS service with OFCS up to a maximum of twenty (20) years. Payment of incentive will be made in accordance with Section 20.5 – 403(b) Special Pay Plan. Forty percent (40%) paid by July 15 following the first year of retire/rehire employment. The remaining balance paid by July 15 following the second year of retire/rehire employment. If the employee is not offered a second year retire/rehire contract the balance will be paid in full by July 15 in year of separation.

The parties agree to enter into an agreement to capture any member who issues a retirement notice for the end of 2020-2021 school year by April 15, 2021. The intent will be to capture any member who is eligible to retire as June 30, 2021.

Classified Employees

Any employee who has not been eligible to retire prior to July 1, 2004 under the School Employees Retirement System (SERS) pursuant to Ohio Revised Code Section 3309.34 and any applicable SERS regulations and who becomes eligible to retire can receive a retirement incentive of 50 percent of the employee's base wage at the time of retirement, excluding overtime, bonuses, extra trips or "extra" compensation if the employee retires at the end of the school year in which the employee first becomes eligible. If the employee has not yet completed 30 years of SERS service and does not retire at the end of the school year in which the employee first becomes eligible, the employee will have one more opportunity to take advantage of this incentive by retiring during or at the end of the school year in which the employee completes 30 years of SERS service. This incentive, combined with any severance pay entitlement, will be paid within 60 days after the date of retirement. To be eligible for this incentive, the employee must submit a resignation 90 days prior to the employee's date of retirement.

C. Life Insurance

The District provides life insurance and accidental death and dismemberment insurance to its eligible employees. Coverage is equal to double the employee's annual salary amount rounded to the nearest one thousand dollars. Life insurance is covered through MetLife.

NOTE 13 - LONG-TERM OBLIGATIONS

The original issue date, interest rate, original issue amount and date of maturity of each of the District's long-term notes and bonds are:

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
General Obligation Bonds:			
Classroom Facilities Refunding - 2015A	3.0-14.7%	$ 8,624,960	December 1, 2035
School Improvement - 2017A	2.5-5.00%	20,000,000	December 1, 2051
School Improvement - 2017B	2.0-2.5%	1,900,000	December 1, 2022

The following is a schedule of the changes in long-term obligations during fiscal year 2022.

	Balance 06/30/21	Additions	Reductions	Balance 06/30/22	Due in One Year
Governmental Activities:					
General Obligation Bonds:					
2015A Classroom Facilities Refunding Bonds					
Serial Bonds	$ 8,170,000	$ -	$ (50,000)	$ 8,120,000	$ 50,000
Capital Appreciation Bonds	159,960	-	-	159,960	-
Accretion on Capital Appreciation Bonds	211,329	56,583	-	267,912	-
Premium	626,806	-	(41,787)	585,019	-
2017A School Improvement Bonds					
Serial and Term Bonds	20,000,000	-	-	20,000,000	130,000
Premium	725,955	-	(23,867)	702,088	-
Discount	(166,365)	-	5,470	(160,895)	-
2017B School Improvement Bonds					
Serial and Term Bonds	610,000	-	(365,000)	245,000	245,000
Premium	17,736	-	(8,868)	8,868	-
Total General Obligation Bonds	30,355,421	56,583	(484,052)	29,927,952	425,000
Financed Purchase Agreement - direct borrowing	793,205	-	(264,762)	528,443	206,751
Turf Bond - direct borrowing	-	400,000	(40,000)	360,000	40,000
Bus Bond - direct borrowing	-	197,000	(39,400)	157,600	39,400
Lease payable	426,417	-	(104,373)	322,044	109,714
Net Pension Liability	56,378,611	-	(27,254,269)	29,124,342	-
Net OPEB Liability	4,382,554	-	(665,124)	3,717,430	-
Retirement Incentive	-	158,196	-	158,196	158,196
Compensated Absences	4,695,317	74,016	(304,340)	4,464,993	250,568
Total Governmental Activities Long-Term Liabilities	$ 97,031,525	$ 885,795	$ (29,156,320)	$ 68,761,000	$ 1,229,629

All general obligation bonds will be paid from the bond retirement fund (a nonmajor governmental fund). Compensated absences will be paid from the general fund.

The District's net pension liability is described in Note 10. The District pays obligations related to employee compensation from the fund benefitting from their service.

The District's net OPEB liability/asset is described in Note 11. The District pays obligations related to employee compensation from the fund benefitting from their service.

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

On June 24, 2015, the District also issued $8,624,960 of Classroom Facilities & School Improvement Refunding Bonds, Series 2015 A bonds, which included $8,465,000 in serial bonds and $159,960 in capital appreciation bonds at interest rates varying from 3.00 percent to 14.70 percent. For fiscal year 2021, $49,105 was accreted. Proceeds of these refunding bonds were used to refund $8,625,000 of the outstanding 2007 School Improvement Bonds.

The Series 2015 A bonds were sold at a premium of $877,528. Proceeds of $9,350,315 (after an $152,173 reduction for underwriting fees and other issuance costs) were deposited into an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded portion of the 2007 School Improvement Bonds.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $725,355. The difference, reported as deferred outflow of resources, is being charged to interest through fiscal year 2036.

The Series 2015 A serial bonds were issued for a twenty-one year period with a final maturity at December 1, 2035.

On March 2, 2017, the District issued $20,000,000 of School Improvement Bonds, Series 2017A and $1,900,000 of School Improvement Bonds, Series 2017B for the purpose of constructing, rehabilitating, adding to, renovating, remodeling, furnishing, equipping and otherwise improving school district buildings. Some of the bonds were sold at a premium of $882,816 and some of the bonds were sold at a discount of $189,611. The bonds have varying interest rates between 2.0 percent to 5.0 percent and a final maturity date of December 1, 2051. The bonds are being retired from the bond retirement fund (a nonmajor governmental fund).

On March 13, 2018, the District entered into a financed-purchase agreement, in the amount of $1,407,938, with Key Government Finance, Inc. to finance the cost of HVAC equipment. This is a direct borrowing collateralized by the related equipment. The annual payments are made from the permanent improvement fund (a nonmajor governmental fund). At June 30, 2022, the District had outstanding borrowings of $528,443. Capital assets consisting of furniture and equipment has been recorded in the amount of $1,407,938. A corresponding liability is recorded on the statement of net position. Accumulated depreciation as of June 30, 2022 was $246,389, leaving a current book value of $1,161,549.

On June 11, 2018, the District entered into a financed-purchase agreement, in the amount of $306,837, with Key Government Finance, Inc. to finance the cost of networking equipment. This is a direct borrowing collateralized by the related equipment. The annual payments are made from the permanent improvement fund (a nonmajor governmental fund). At June 30, 2022, the District had no outstanding borrowings related to this financed-purchase agreement. Capital assets consisting of furniture and equipment has been recorded in the amount of $306,837. A corresponding liability is recorded on the statement of net position. Accumulated depreciation as of June 30, 2022 was $122,735, leaving a current book value of $184,102.

The District has entered into lease agreements for the use of right to use equipment. The lease payments will be paid from the general fund. Capital assets consisting of furniture and equipment has been recorded in the amount of $544,764. A corresponding liability is recorded on the statement of net position. Accumulated depreciation as of June 30, 2022 was $281,987, leaving a current book value of $262,777.

On August 6, 2021 the District also issued $400,000 of turf acquisition bonds at interest rates varying from 3.25 percent. These bonds will be retired from the general fund and have a final maturity date of June 1, 2031.

On August 6, 2021 the District also issued $197,000 of bus acquisition bonds at interest rates varying from 3.25 percent. These bonds will be retired from the general fund and have a final maturity date of June 1, 2026.

The District’s overall legal debt margin was $36,180,415 with an unvoted debt margin of $693,012 at June 30, 2022.

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2022, are as follows:

Fiscal Year	General Obligation Bonds			Capital Appreciation Bonds		
Year Ended	Principal	Interest	Total	Principal	Interest	Total
2023	$ 50,000	$ 303,875	$ 353,875	$ -	$ -	$ -
2024	50,000	302,625	352,625	-	-	-
2025	-	302,000	302,000	159,960	450,040	610,000
2026	610,000	292,850	902,850	-	-	-
2027	625,000	274,325	899,325	-	-	-
2028 - 2032	3,470,000	1,017,375	4,487,375	-	-	-
2033 - 2036	3,315,000	271,900	3,586,900	-	-	-
Total	$ 8,120,000	$ 2,764,950	$ 10,884,950	$ 159,960	$ 450,040	$ 610,000

Fiscal Year	Turf Bond		
Year Ended	Principal	Interest	Total
2023	$ 40,000	$ 11,375	$ 51,375
2024	40,000	10,075	50,075
2025	40,000	8,775	48,775
2026	40,000	7,475	47,475
2027	40,000	6,175	46,175
2028 - 2031	160,000	11,700	171,700
Total	$ 360,000	$ 55,575	$ 415,575

Fiscal Year	Bus Bond		
Year Ended	Principal	Interest	Total
2023	$ 39,400	$ 4,433	$ 43,833
2024	39,400	3,251	42,651
2025	39,400	2,069	41,469
2026	39,400	887	40,287
Total	$ 157,600	$ 10,640	$ 168,240

Fiscal Year	Financed Purchase Agreement		
Year Ended	Principal	Interest	Total
2023	$ 206,751	$ 14,062	$ 220,813
2024	212,889	7,923	220,812
2025	108,803	1,603	110,406
Total	$ 528,443	$ 23,588	$ 552,031

Fiscal Year	Lease payable		
Year Ended	Principal	Interest	Total
2023	$ 109,714	$ 13,610	$ 123,324
2024	109,737	7,998	117,735
2025	52,302	3,942	56,244
2026	50,291	1,266	51,557
Total	$ 322,044	$ 26,816	$ 348,860

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING – (Continued)

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

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

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

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

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

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

Net Change in Fund Balance

	General fund
Budget basis	$ 2,963,346
Net adjustment for revenue accruals	962,654
Net adjustment for expenditure accruals	719,926
Net adjustment for other sources/uses	(692,284)
Funds budgeted elsewhere	50,950
Adjustment for encumbrances	916,368
GAAP basis	$ 4,920,960

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the uniform school supplies fund and the public school support fund.

NOTE 15 - SET-ASIDES

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

NOTE 15 - SET-ASIDES - (Continued)

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

	Capital Improvements
Set-aside balance June 30, 2021	$ -
Current year set-aside requirement	613,397
Current year offsets	(559,948)
Prior year offset from bond proceeds	(53,449)
Total	$ -
Balance carried forward to fiscal year 2023	$ -
Set-aside balance June 30, 2022	$ -

In prior fiscal years, the District issued $47,225,932 in general obligation bonds. These proceeds may be used to reduce the capital improvements set-aside amount to zero for future years. The amount presented for prior year offset from bond proceeds is limited to an amount needed to reduce the capital improvements set-aside balance to $0. The District is responsible for tracking the amount of bond proceeds that may be used as an offset in future periods, which was $46,947,690 at June 30, 2022.

NOTE 16- JOINTLY GOVERNED ORGANIZATIONS

Connect
The District is a member of the Connect, formerly known as the North Coast Council, which was formed when the Lakeshore Northeast Ohio Computer Association and the Lake Erie Educational Computer Association merged during fiscal year 2012. Connect was organized for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among 34 member districts. Each of the governments of these schools supports the Connect based on a per pupil charge. The District contributed $117,898 to Connect during fiscal year 2022 for managed wireless hosting, phone VOIP services, data services, hardware maintenance and switch installation. Connect is governed by a nine member Board of Directors consisting of superintendents from member school districts. Financial information can be obtained by contacting the Treasurer at the Educational Service Center of Northeast Ohio, who serves as fiscal agent, at 5700 West Canal Road, Valley View, Ohio 44125.

Ohio Schools Council Association
The Ohio Schools Council Association (the "Council") is a jointly governed organization comprised of one- hundred twenty-one member districts. The mission of the Council is to identify, plan and provide services to member districts that can be more effectively achieved by cooperative endeavors of member districts than by an individual district operating on its own. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose terms rotate every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2022, the District paid for membership and other services through Connect. Financial information can be obtained by contacting the Treasurer at Cuyahoga County ESC, who serves as fiscal agent, at 6393 Oak Tree Boulevard, Independence, Ohio 44131.

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

Polaris Career Center

The Polaris Career Center is a separate body politic and corporate, established by the Ohio Revised Code to provide for the vocational and special education needs of students. The Board of Education is comprised of representatives from the boards of each participating school district. The board is responsible for approving its own budgets, appointing personnel, and accounting and finance related activities. Olmsted Falls City School District students may attend the Polaris Career Center. Each participating school district's control is limited to its representation on the board. The District did not contribute financially to Polaris Career Center during this fiscal year. Financial information can be obtained by contacting the Treasurer at Polaris Career Center, 7285 Old Oak Boulevard, Middleburg Heights, Ohio 44130.

NOTE 17 - INSURANCE PURCHASING POOL

Ohio School Boards Association Workers' Compensation Group Rating Program

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefits of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The worker's compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its worker's compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings is then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant share equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria.

Great Lakes Regional Council of Governments

The District participates in the Great Lakes Regional Council of Governments (COG), an insurance purchasing pool. The COG contracts with Medical Mutual, LLC to process and pay health benefit claims incurred by its members. The Berea City School District began acting as the COG's fiscal agent beginning in fiscal year 2022. The COG's activity is accounted for as a custodial fund within the Berea City School District. To obtain a copy of that District's financial statements visit the Ohio Auditor of State's website.

NOTE 18 - RISK SHARING POOL

The District participated in the Schools Ohio Risk Sharing Authority (SORSA), a risk sharing pool with over 65 members. SORSA is a 100 percent member-owned, non-profit insurance risk pool owned and governed by the school district members. SORSA is governed by a Board of Directors comprised of representatives of school districts that participate in the program.

SORSA has agreements with several separate organizations whereby each provides certain administrative, executive, accounting, marketing, claim settlement, legal counsel and other services to SORSA and its members. Pursuant to participation agreements with SORSA, each member school district agrees to pay all funding rates associated with the coverage elected. This coverage includes comprehensive general liability, property insurance and automobile liability insurance. To obtain a copy of the SORSA financial statements, write SORSA Executive Director at 8050 North High Street, Suite 160, Columbus, Ohio 43235-6483.

NOTE 19 - CONTINGENCIES

A. Grants

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

NOTE 19 - CONTINGENCIES - (Continued)

B. Litigation

The District is not aware of any legal proceedings that may have a material effect on the financial condition of the District.

C. Pollution

In a prior fiscal year, the District commenced monthly pollution testing and analysis at their sewer treatment facility. The District anticipates monthly testing and analysis for an infinite amount of time. As of June 30, 2021, it has been determined that the cleanup is not deemed pollution remediation subject to GASB 49.

NOTE 20 - OTHER COMMITMENTS

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

Fund Type	Year-End Encumbrances
General	$ 705,233
Other governmental	213,175
Total	$ 918,408

NOTE 21 - NOTES PAYABLE

The District issued tax anticipation notes on November 13th, 2020, in the amount of $2,500,000. These notes were issued in anticipation of future tax revenue and the proceeds are used for general operations of the District. As such, the tax anticipation notes are reported as a liability of the general fund, the fund which received the proceeds.

The November 13th, 2020, tax anticipation notes mature on November 1, 2023, and bear an interest rate of 1.87%. These notes are backed by the full faith and credit of the District. During fiscal year 2022, the District made no principal or interest payments out of the general fund related to these.

The following is a schedule of activity for fiscal year 2022 on the tax anticipation notes:

	Balance 06/30/21	Additions	Reductions	Balance 06/30/22	Due in One Year
General fund:					
Tax anticipation note - 1.87%	$ 2,500,000	$ -	$ (819,000)	$ 1,681,000	$ 833,000

The following is a summary of the future debt service requirements to maturity for the tax anticipation notes:

Fiscal Year Year Ended	Principal	Notes Payable Interest	Total
2023	$ 833,000	$ 31,435	$ 864,435
2024	848,000	15,858	863,858
Total	$ 1,681,000	$ 47,293	$ 1,728,293

NOTE 22 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

The City of Olmsted Falls and Olmsted Township entered into Community Redevelopment Area and Economic Zone agreements with various businesses for the abatement of property taxes to bring jobs and economic development into the City. Under the agreement, the companies' property taxes assessed to the District have been abated. During fiscal year 2022, the District's property taxes were reduced by $153,305.

NOTE 23 - COVID-19

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

NOTE 24 - SUBSEQUENT EVENTS

On October 25th, 2022, the District issued $322,676 for a financed purchase agreement to acquire four buses. The financed purchase agreement bears an interest rate of 4.74% and matures on October 25th, 2027.

REQUIRED SUPPLEMENTARY INFORMATION

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net pension liability	0.19485660%	0.20285110%	0.21453940%	0.19754970%
District's proportionate share of the net pension liability	$ 7,189,643	$ 13,416,999	$ 12,836,268	$ 11,314,037
District's covered payroll	$ 7,198,950	$ 7,042,043	$ 7,175,378	$ 6,809,274
District's proportionate share of the net pension liability as a percentage of its covered payroll	99.87%	190.53%	178.89%	166.16%
Plan fiduciary net position as a percentage of the total pension liability	82.86%	68.55%	70.85%	71.36%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2018		2017		2016		2015		2014
	0.20577680%		0.20155890%		0.20061310%		0.20096100%		0.20096100%
$	12,294,709	$	14,752,252	$	11,447,178	$	10,170,522	$	11,950,506
$	6,516,307	$	5,436,457	$	5,707,371	$	5,495,751	$	5,490,764
	188.68%		271.36%		200.57%		185.06%		217.65%
	69.50%		62.98%		69.16%		71.70%		65.52%

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE FISCAL YEARS

	2022	**2021**	**2020**	**2019**
District's proportion of the net pension liability	0.17155383%	0.17755343%	0.17380110%	0.17078542%
District's proportionate share of the net pension liability	$ 21,934,699	$ 42,961,612	$ 38,435,069	$ 37,551,879
District's covered payroll	$ 21,676,107	$ 21,429,179	$ 20,257,064	$ 19,967,664
District's proportionate share of the net pension liability as a percentage of its covered payroll	101.19%	200.48%	189.74%	188.06%
Plan fiduciary net position as a percentage of the total pension liability	87.78%	75.48%	77.40%	77.31%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
0.16865544%	0.16472880%	0.16352439%	0.16113600%	0.16113600%
$ 40,064,461	$ 55,139,695	$ 45,193,358	$ 39,193,939	$ 46,687,459
$ 18,493,443	$ 17,496,950	$ 16,949,134	$ 16,422,689	$ 16,275,849
216.64%	315.14%	266.64%	238.66%	286.85%
75.30%	66.80%	72.10%	74.70%	69.30%

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 932,965	$ 1,007,853	$ 985,886	$ 968,676
Contributions in relation to the contractually required contribution	(932,965)	(1,007,853)	(985,886)	(968,676)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 6,664,036	$ 7,198,950	$ 7,042,043	$ 7,175,378
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017		2016		2015		2014		2013	
$	919,252	$	912,283	$	761,104	$	752,231	$	761,711	$	759,922
	(919,252)		(912,283)		(761,104)		(752,231)		(761,711)		(759,922)
$	-	$	-	$	-	$	-	$	-	$	-
$	6,809,274	$	6,516,307	$	5,436,457	$	5,707,371	$	5,495,751	$	5,490,764
	13.50%		14.00%		14.00%		13.18%		13.86%		13.84%

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	**2021**	**2020**	**2019**
Contractually required contribution	$ 3,021,374	$ 3,034,655	$ 3,000,085	$ 2,835,989
Contributions in relation to the contractually required contribution	(3,021,374)	(3,034,655)	(3,000,085)	(2,835,989)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 21,581,243	$ 21,676,107	$ 21,429,179	$ 20,257,064
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017		2016		2015		2014		2013	
$	2,795,473	$	2,589,082	$	2,449,573	$	2,372,879	$	2,134,950	$	2,115,860
	(2,795,473)		(2,589,082)		(2,449,573)		(2,372,879)		(2,134,950)		(2,115,860)
$	-	$	-	$	-	$	-	$	-	$	-
$	19,967,664	$	18,493,443	$	17,496,950	$	16,949,134	$	16,422,689	$	16,275,849
	14.00%		14.00%		14.00%		14.00%		13.00%		13.00%

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net OPEB liability	0.19642110%	0.20165180%	0.21645680%	0.20020510%
District's proportionate share of the net OPEB liability	$ 3,717,430	$ 4,382,554	$ 5,443,433	$ 5,554,230
District's covered payroll	$ 7,198,950	$ 7,042,043	$ 7,175,378	$ 6,809,274
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	51.64%	62.23%	75.86%	81.57%
Plan fiduciary net position as a percentage of the total OPEB liability	24.08%	18.17%	15.57%	13.57%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2018		2017
	0.20772440%		0.20332711%
$	5,574,777	$	5,795,575
$	6,516,307	$	5,436,457
	85.55%		106.61%
	12.46%		11.49%

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net OPEB liability/asset	0.17155383%	0.17755343%	0.17380110%	0.17078542%
District's proportionate share of the net OPEB liability/(asset)	$ (3,617,072)	$ (3,120,500)	$ (2,878,563)	$ (2,744,347)
District's covered payroll	$ 21,676,107	$ 21,429,179	$ 20,257,064	$ 19,967,664
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	16.69%	14.56%	14.21%	13.74%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.73%	182.10%	174.70%	176.00%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017
0.16865544%	0.16472880%
$ 6,580,313	$ 8,809,739
$ 18,493,443	$ 17,496,950
35.58%	50.35%
47.10%	37.33%

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 121,961	$ 105,399	$ 87,704	$ 152,043
Contributions in relation to the contractually required contribution	(121,961)	(105,399)	(87,704)	(152,043)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 6,664,036	$ 7,198,950	$ 7,042,043	$ 7,175,378
Contributions as a percentage of covered payroll	1.83%	1.46%	1.25%	2.12%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017		2016		2015		2014		2013	
$	141,277	$	108,166	$	136,940	$	183,740	$	108,291	$	106,218
	(141,277)		(108,166)		(136,940)		(183,740)		(108,291)		(106,218)
$	-	$	-	$	-	$	-	$	-	$	-
$	6,809,274	$	6,516,307	$	5,436,457	$	5,707,371	$	5,495,751	$	5,490,764
	2.07%		1.66%		2.52%		3.22%		1.97%		1.93%

OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 21,581,243	$ 21,676,107	$ 21,429,179	$ 20,257,064
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014	2013
$ -	$ -	$ -	$ -	$ 165,403	$ 157,425
-	-	-	-	(165,403)	(157,425)
$ -	$ -	$ -	$ -	$ -	$ -
$ 19,967,664	$ 18,493,443	$ 17,496,950	$ 16,949,134	$ 16,422,689	$ 16,275,849
0.00%	0.00%	0.00%	1.00%	1.00%	1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

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

Changes in assumptions :

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

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

(Continued)

PENSION (CONTINUED)

Changes in assumptions :

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

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

Changes in assumptions :

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

(Continued)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

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

Changes in assumptions :

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

OLMSTED FALLS CITY SCHOOLS
CUYAHOGA 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**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE		
Passed Through Ohio Department of Education		
COVID-19 Pandemic EBT Administrative Costs	10.649	$614
Child Nutrition Cluster		
School Breakfast Program	10.553	294,605
National School Lunch Program	10.555	1,546,308
COVID-19 National School Lunch Program	10.555	83,493
National School Lunch Program - Commodities	10.555	74,289
Total Child Nutrition Cluster		**1,998,695**
Total U.S. Department of Agriculture		**1,999,309**
U.S. DEPARTMENT OF Education		
Passed Through Ohio Department of Education		
COVID-19 Education Stabilization Fund		
COVID-19 Elementary & Secondary Emergency Relief Fund	84.425D	516,480
COVID-19 American Rescue Plan-Elementary & Secondary Emergency Relief Fund	84.425U	879,826
COVID-19 American Rescue Plan-Homeless Children and Youth	84.425W	4,760
Total COVID-19 Education Stabilization Fund		1,401,066
COVID-19 CRF - Urban School	21.019	4,240
Title I-A, Title I Grants to Local Educational Agencies	84.010	286,433
Title II-A, Improving Teacher Quality State Grants	84.367	89,639
Title IV-A, Student Support and Academic Enrichment Program	84.424A	26,964
Special Education Cluster		
IDEA-B Special Education_Grants to States	84.027	753,352
COVID-19 American Rescue Plan-IDEA Special Education_Grants to States	84.027X	45,851
IDEA Early Childhood Special Education_Preschool Grants	84.173	18,137
Total Special Education Cluster		817,340
Total U.S. Department of Education		**2,625,682**
Total Expenditures of Federal Awards		**$4,624,991**

The accompanying notes are an integral part of this schedule.

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Olmsted Falls City Schools (the District) under programs of the federal government for the year ended June 30, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

The District did not provide funds to subrecipients during the audit period.

NOTE E - CHILD NUTRITION CLUSTER

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

NOTE F – FOOD DONATION PROGRAM

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

NOTE G - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2022 to 2023 programs:

Program Title	AL Number	Amount Transferred
Title I	84.010	$555
Expanding Opportunities	84.010A	5,850
Title II-A	84.367A	9,952
Title IV-A	84.424A	7,821
COVID-19 ARP ESSER	84.425U	884,960
COVID-19 ARP IDEA Part B	84.027X	111,551
ESSER II	84.425D	308,755

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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*

Olmsted Falls City School District
Cuyahoga County
26937 Bagley Road
Olmsted Falls, Ohio 44138

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Olmsted Falls City School District, Cuyahoga County, (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 27, 2023, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

March 27, 2023

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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

Olmsted Falls City School District
Cuyahoga County
26937 Bagley Road
Olmsted Falls, Ohio 44138

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Olmsted Falls City School District's, Cuyahoga County, (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Olmsted Falls City School District's major federal program for the year ended June 30, 2022. Olmsted Falls City 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, Olmsted Falls City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

March 27, 2023

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OLMSTED FALLS CITY SCHOOL DISTRICT
CUYAHOGA 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):**	Education Stabilization Fund - AL #84.425D, #84.425U, #84.425W
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

OHIO AUDITOR OF STATE
KEITH FABER

OLMSTED FALLS CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/30/2023

88 East Broad Street, Columbus, Ohio 43215
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