REYNOLDSBURG CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2022

OHIO AUDITOR OF STATE
KEITH FABER

REYNOLDSBURG CITY SCHOOL DISTRICT
FRANKLIN COUNTY
JUNE 30, 2022

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FRANKLIN COUNTY
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INDEPENDENT AUDITOR'S REPORT

Reynoldsburg City School District
Franklin County
7244 East Main Street
Reynoldsburg, Ohio 43068

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 20 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures will 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 14, 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 14, 2023

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As management of the Reynoldsburg City School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the District's financial activities for the fiscal year ended June 30, 2022. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $31.0 million (net position).

- The District's total net position increased by $7.9 million during the fiscal year.

- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $69.1 million, a decrease of $2.3 million in comparison with the prior fiscal year. Of this amount, $48.4 million is available for spending at the District's discretion (unassigned fund balance).

- At the end of the current fiscal year, unassigned balance for the general fund was $50.4 million.

Reporting the District as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds appears on the fund financial statements beginning with the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances. These statements provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's two types of funds, governmental and proprietary, use different accounting approaches as further described in the notes to the basic financial statements.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting which measures cash and 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 financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

Proprietary Funds

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources according to the Statement of Net Position at the close of the most recent fiscal year.

The District's net position at fiscal year-end was as follows:

	2022	Restated 2021	Change
Current and Other Assets	$ 126,688,458	$ 124,634,728	$ 2,053,730
Capital Assets, Net	104,648,904	106,899,036	(2,250,132)
Total Assets	231,337,362	231,533,764	(196,402)
Unamortized Amount on Refunding	8,169,777	8,992,396	(822,619)
Pension	23,283,790	22,010,485	1,273,305
OPEB	2,321,516	2,894,998	(573,482)
Total Deferred Outflows of Resources	33,775,083	33,897,879	(122,796)
Current Liabilities	14,980,908	11,253,701	3,727,207
Long-term Liabilities:			
Due Within One Year	6,154,617	6,506,303	(351,686)
Due in More Than One Year:			
Net Pension Liability	48,950,242	93,086,540	(44,136,298)
Net OPEB Liability	4,732,662	5,751,915	(1,019,253)
Other Amounts	81,675,780	88,719,212	(7,043,432)
Total Liabilities	156,494,209	205,317,671	(48,823,462)
Property Taxes	26,170,905	26,344,489	(173,584)
Leases	530,576	586,901	(56,325)
Pension	40,496,943	630,075	39,866,868
OPEB	10,463,183	9,490,307	972,876
Total Deferred Inflows of Resources	77,661,607	37,051,772	40,609,835
Net Investment in Capital Assets	28,179,725	24,513,195	3,666,530
Restricted	14,688,260	13,729,741	958,519
Unrestricted	(11,911,356)	(15,180,736)	3,269,380
Total Net Position	$ 30,956,629	$ 23,062,200	$ 7,894,429

Capital assets, net decreased significantly in comparison with the prior fiscal year. This decrease is primarily represented by current year depreciation/amortization exceeding capital asset additions during the fiscal year.

There was a significant change in net pension/OPEB liability (asset) for the District. These fluctuations are due to changes in the retirement systems unfunded liabilities/assets that are passed through to the District's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows, net OPEB asset and noncurrent liabilities are described in more detail in their respective notes.

Other long-term liabilities decreased in comparison with the prior fiscal year. This decrease is primarily represented by principal payments made during the fiscal year.

Governmental Activities

Net position of the District's governmental activities increased. The details of this increase in net position are as follows:

	2022	2021	Change
Program Revenues:			
Charges for Services	$ 2,557,246	$ 5,086,301	$ (2,529,055)
Operating Grants	18,359,699	11,743,223	6,616,476
General Revenues:			
Property Taxes	31,745,129	40,280,861	(8,535,732)
Income Taxes	7,124,046	5,964,029	1,160,017
Grants and Entitlements	45,812,840	44,404,249	1,408,591
Payments in Lieu of Taxes	2,687,972	2,857,060	(169,088)
Investment Earnings	(567,982)	178,758	(746,740)
Miscellaneous	514,276	1,369,163	(854,887)
Total Revenues	108,233,226	111,883,644	(3,650,418)
Program Expenses:			
Instructional	53,433,954	64,714,406	(11,280,452)
Support Services	37,855,796	34,397,258	3,458,538
Non-Instructional Services	4,536,195	3,407,984	1,128,211
Extracurricular Activities	1,108,236	988,575	119,661
Interest and Fiscal Charges	3,404,616	3,762,039	(357,423)
Total Expenses	100,338,797	107,270,262	(6,931,465)
Change in Net Position	7,894,429	4,613,382	
Net Position at Beginning of Year,	23,062,200	74,694,636	
Restatement	-	(56,245,818)	
Net Position at End of Year	$ 30,956,629	$ 23,062,200	

Charges for services decreased significantly in comparison with the prior fiscal year. This decrease is primarily the result of the change in the funding formula for open enrollment from the Ohio Department of Education from the prior fiscal year.

Operating grants increased significantly in comparison with the prior fiscal year. This increase is primarily the result of an increase in grant revenue received during the year as a result of the ongoing COVID-19 pandemic.

Property taxes decreased significantly in comparison with the prior fiscal year. This decrease is primarily the result of a decrease in property taxes available for advance at the end of the fiscal year in comparison with the amounts available in the prior fiscal year.

Investment earnings decreased significantly in comparison with the prior fiscal year. This decrease is primarily the result of a significant decrease in market values of the District's investments.

Instructional services decreased significantly in comparison with the prior fiscal year. This decrease is primarily the result of decreases in pension and OPEB expenses.

Financial Analysis of the District's Funds

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

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

The schedule below indicates the fund balance and the total change in fund balance by major fund and other governmental funds as of June 30, 2022 and 2021.

	Fund Balance June 30, 2022	Fund Balance June 30, 2021	Increase/ (Decrease)
General Fund	$ 52,427,206	$ 51,875,788	$ 551,418
Debt Service Fund	8,761,082	9,130,425	(369,343)
Other Governmental Funds	7,879,673	10,355,926	(2,476,253)
Total	$ 69,067,961	$ 71,362,139	$ (2,294,178)

General Fund

The General Fund is the chief operating fund of the District. The fund balance of the District's general fund increased in comparison with the prior fiscal year. This increase represents the amount in which excess revenues exceeded transfers to other governmental funds and payment to the refunded bond escrow agent.

Debt Service Fund

The Debt Service Fund is a debt service fund. Fund balance in this fund decreased during the fiscal year. This decrease represents the amount in which debt service expenditures exceeded property taxes and related revenues.

Other Governmental Funds

Other Governmental Funds consist of various special revenue and capital projects funds. Fund balance in these funds decreased during the fiscal year. The key component of this decrease was a decrease in the Miscellaneous Federal Grants fund. This decrease is primarily the result of payables related to the Emergency Connectivity grant.

General Fund Budget Information

The District's budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. Changes are made to the District's budget as changes in revenues and spending patterns are experienced. During the fiscal year, there were no adjustments made to the revenues. The final estimated resources and other financing sources were less than the actual revenues.

During fiscal year 2022, the District amended its General fund appropriations several times. Final budgeted expenditures and other financing uses were decreased during the fiscal year from the original budgeted expenditures. The actual budgetary expenditures were less than the final budgeted expenditures. The variance is primarily the result of conservative spending during the fiscal year.

Capital Assets

At the end of the fiscal year, the District's capital assets decreased in comparison with the prior fiscal year. This decrease represents the amount in which current year depreciation/amortization exceeded capital acquisitions. This investment in capital assets includes land, construction in progress, land improvements, buildings, buildings and and improvements, furniture, fixtures and equipment, intangible right to use equipment, and vehicles.

See Note 9 to the basic financial statements for additional information on capital assets.

Debt

At the end of the fiscal year, the District's total bonded debt outstanding and leases payable decreased in comparison with the prior fiscal year. This decrease represents the amount in which current year principal payments and amortization exceeded current year accretion and net refunding issuances.

See Note 10 to the basic financial statements for additional information on long-term obligations.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, tax payers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for monies it receives. Questions concerning any information in this report or request for additional information should be directed to Ms. Angele Latham, Treasurer, Reynoldsburg City School District, 7244 E. Main Street, Reynoldsburg, Ohio 43068-3585.

Reynoldsburg City School District
Franklin County, Ohio
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	$ 39,580,088
Investments	36,008,526
Accounts Receivable	7,235
Accrued Interest Receivable	65,778
Intergovernmental Receivable	4,677,590
Property Taxes Receivable	33,390,544
Income Taxes Receivable	3,162,920
Payments in Lieu of Taxes Receivable	2,270,142
Leases Receivable	526,783
Prepaid Items	355,376
Materials and Supplies Inventory	55,661
Net OPEB Asset	6,587,815
Capital Assets, not Being Depreciated/Amortized	9,464,947
Capital Assets Being Depreciated/Amortized, Net	95,183,957
Total Assets	231,337,362
Deferred Outflows of Resources	
Deferred Charges on Refunding	8,169,777
Pension	23,283,790
OPEB	2,321,516
Total Deferred Outflows of Resources	33,775,083
Liabilities	
Accounts Payable	3,188,839
Accrued Wages and Benefits	8,462,286
Retainage Payable	5,789
Intergovernmental Payable	1,447,807
Accrued Interest Payable	266,389
Claims Payable	1,471,149
Matured Compensated Absences Payable	138,649
Long-Term Liabilities:	
Due Within One Year	6,154,617
Due In More Than One Year:	
Net Pension Liability	48,950,242
Net OPEB Liability	4,732,662
Other Amounts Due in More Than One Year	81,675,780
Total Liabilities	156,494,209
Deferred Inflows of Resources	
Property Taxes Levied for the Next Year	26,170,905
Leases	530,576
Pension	40,496,943
OPEB	10,463,183
Total Deferred Inflows of Resources	77,661,607
Net Position	
Net Investment in Capital Assets	28,179,725
Restricted for:	
Capital Projects	336,664
Debt Service	8,551,046
Classroom Facilities Maintenance	914,974
State Funded Programs	960,181
Federally Funded Programs	18,641
Food Service	3,677,006
Locally Funded Programs	67,172
Student Activities	90,569
Scholarships	44,845
Library Endowment	27,162
Unrestricted	(11,911,356)
Total Net Position	$ 30,956,629

See accompanying notes to the basic financial statements.

Reynoldsburg City School District
Franklin 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	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular	$ 37,123,509	$ 1,284,836	$ 2,980,955	$ (32,857,718)
Special	15,367,689	451,935	3,153,251	(11,762,503)
Vocational	160,773	5,528	-	(155,245)
Other	781,983	6,646	560,103	(215,234)
Support Services:				
Pupils	5,197,931	40,682	1,547,153	(3,610,096)
Instructional Staff	7,405,770	379	2,517,318	(4,888,073)
Board of Education	69,490	-	-	(69,490)
Administration	7,764,032	-	49,160	(7,714,872)
Fiscal	1,573,571	-	152	(1,573,419)
Business	285,595	-	-	(285,595)
Operation and Maintenance of Plant	8,902,441	-	481,974	(8,420,467)
Pupil Transportation	4,823,556	152	45,285	(4,778,119)
Central	1,833,410	4,391	878,377	(950,642)
Operation of Non-Instructional/Shared Services:				
Food Service Operations	3,996,839	273,154	5,655,036	1,931,351
Community Services	539,303	165	477,016	(62,122)
Shared Services	53	-	-	(53)
Extracurricular Activities	1,108,236	489,378	13,919	(604,939)
Debt Service:				
Interest and Fiscal Charges	3,404,616	-	-	(3,404,616)
Total	$ 100,338,797	$ 2,557,246	$ 18,359,699	(79,421,852)

General Revenues	
Property Taxes Levied for:	
General Purpose	24,498,288
Debt Service	6,945,175
Classroom Facilities	301,666
Income Taxes	7,124,046
Grants and Entitlements not Restricted to Specific Programs	45,812,840
Payments in Lieu of Taxes	2,687,972
Investment Earnings	(567,982)
Miscellaneous	514,276
Total General Revenues	87,316,281
Change in Net Position	7,894,429
Net Position Beginning of Year	23,062,200
Net Position End of Year	$ 30,956,629

See accompanying notes to the basic financial statements.

Reynoldsburg City School District
Franklin County, Ohio
Balance Sheet
Governmental Funds
June 30, 2022

	General	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 14,222,185	$ 6,781,325	$ 10,514,025	$ 31,517,535
Investments	36,008,526	-	-	36,008,526
Accounts Receivable	7,235	-	-	7,235
Accrued Interest Receivable	65,778	-	-	65,778
Intergovernmental Receivable	51,397	-	4,626,193	4,677,590
Property Taxes Receivable	25,984,468	7,088,624	317,452	33,390,544
Income Taxes Receivable	3,162,920	-	-	3,162,920
Payments in Lieu of Taxes Receivable	2,256,443	13,145	554	2,270,142
Leases Receivable	526,783	-	-	526,783
Due from Other Funds	2,550,889	-	-	2,550,889
Prepaid Items	353,248	-	2,128	355,376
Materials and Supplies Inventory	-	-	55,661	55,661
Total Assets	$ 85,189,872	$ 13,883,094	$ 15,516,013	$ 114,588,979
Liabilities				
Accounts Payable	$ 1,276,064	$ -	$ 1,912,775	$ 3,188,839
Accrued Wages and Benefits	7,736,137	-	726,149	8,462,286
Retainage Payable	-	-	5,789	5,789
Intergovernmental Payable	1,311,134	-	136,673	1,447,807
Due to Other Funds	-	-	2,550,889	2,550,889
Matured Compensated Absences Payable	138,649	-	-	138,649
Total Liabilities	10,461,984	-	5,332,275	15,794,259
Deferred Inflows of Resources				
Property Taxes Levied for the Next Year	20,857,753	5,085,300	227,852	26,170,905
Unavailable Revenue	912,353	36,712	2,076,213	3,025,278
Leases	530,576	-	-	530,576
Total Deferred Inflows of Resources	22,300,682	5,122,012	2,304,065	29,726,759
Fund Balances				
Nonspendable	353,248	-	82,789	436,037
Restricted	328,394	8,761,082	5,683,877	14,773,353
Committed	-	-	138,096	138,096
Assigned	1,340,456	-	4,027,368	5,367,824
Unassigned	50,405,108	-	(2,052,457)	48,352,651
Total Fund Balance	52,427,206	8,761,082	7,879,673	69,067,961
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 85,189,872	$ 13,883,094	$ 15,516,013	$ 114,588,979

See accompanying notes to the basic financial statements.

Reynoldsburg City School District
Franklin County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2022

Total Governmental Fund Balances		$ 69,067,961
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		104,648,904
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Intergovernmental	$ 2,074,777	
Property Taxes	160,866	
Income Taxes	727,850	
Interest	61,785	3,025,278
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 in the statement of net position.		6,591,404
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(266,389)
Unamortized loss on refunding represents deferred outflows, which do not use current financial resources and, therefore, are not reported in the funds.		8,169,777
The net pension liability and net OPEB liability are not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	6,587,815	
Deferred Outflows - Pension	23,283,790	
Deferred Outflows - OPEB	2,321,516	
Net Pension Liability	(48,950,242)	
Net OPEB Liability	(4,732,662)	
Deferred Inflows - Pension	(40,496,943)	
Deferred Inflows - OPEB	(10,463,183)	(72,449,909)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Serial and Term Bonds	(65,640,000)	
Certificates of Participation	(10,475,000)	
Unamortized Bond Premium	(8,006,258)	
Capital Appreciation Bonds	(529,978)	
Leases	(253,070)	
Compensated Absences	(2,926,091)	(87,830,397)
Net Position of Governmental Activities		$ 30,956,629

See accompanying notes to the basic financial statements.

Reynoldsburg City School District
Franklin County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022

	General	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	$ 24,571,141	$ 6,964,328	$ 302,562	$ 31,838,031
Income Taxes	6,900,552	-	-	6,900,552
Intergovernmental	45,966,010	932,707	15,764,001	62,662,718
Investment Income	(584,914)	-	-	(584,914)
Tuition and Fees	1,782,517	-	-	1,782,517
Extracurricular Activities	14,832	-	486,743	501,575
Charges for Services	25	-	273,154	273,179
Rent	190,378	-	-	190,378
Contributions and Donations	13,020	-	21,372	34,392
Payments in Lieu of Taxes	2,674,158	13,247	567	2,687,972
Miscellaneous	70,929	-	221,124	292,053
Total Revenues	81,598,648	7,910,282	17,069,523	106,578,453
Expenditures				
Current:				
Instruction:				
Regular	34,399,361	-	3,071,954	37,471,315
Special	12,102,845	-	3,327,460	15,430,305
Vocational	148,033	-	-	148,033
Other	177,983	-	560,895	738,878
Support Services:				
Pupils	4,278,712	-	1,005,594	5,284,306
Instructional Staff	3,228,191	-	4,138,821	7,367,012
Board of Education	68,474	-	-	68,474
Administration	7,876,350	-	58,363	7,934,713
Fiscal	1,490,477	112,399	540	1,603,416
Business	310,931	-	-	310,931
Operation and Maintenance of Plant	8,464,279	-	797,077	9,261,356
Pupil Transportation	4,962,090	-	459,120	5,421,210
Central	1,048,618	-	964,832	2,013,450
Operation of Non-Instructional/Shared Services:				
Food Service Operations	-	-	4,102,969	4,102,969
Community Services	663	-	502,700	503,363
Shared Services	53	-	-	53
Extracurricular Activities	498,678	-	672,679	1,171,357
Capital Outlay	605,212	-	-	605,212
Debt Service				
Principal Retirement	937,597	5,080,000	-	6,017,597
Interest and Fiscal Charges	219,450	3,087,226	-	3,306,676
Payment to Refunding Bond Escrow Agent	59,805	-	-	59,805
Bond Issuance Costs	71,000	-	-	71,000
Total Expenditures	80,948,802	8,279,625	19,663,004	108,891,431
Excess of Revenues Over (Under) Expenditures	649,846	(369,343)	(2,593,481)	(2,312,978)
Other Financing Sources (Uses)				
Refunding Bonds Issued	-	11,300,000	-	11,300,000
Proceeds from Sale of Capital Assets	18,800	-	-	18,800
Payment to Refunded Bond Escrow Agent	-	(11,300,000)	-	(11,300,000)
Transfers In	-	-	117,228	117,228
Transfers Out	(117,228)	-	-	(117,228)
Total Other Financing Sources (Uses)	(98,428)	-	117,228	18,800
Net Change in Fund Balances	551,418	(369,343)	(2,476,253)	(2,294,178)
Fund Balances Beginning of Year	51,875,788	9,130,425	10,355,926	71,362,139
Fund Balances End of Year	$ 52,427,206	$ 8,761,082	$ 7,879,673	$ 69,067,961

See accompanying notes to the basic financial statements.

Reynoldsburg City School District
Franklin County, Ohio
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds		$ (2,294,178)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	$ 1,550,104	
Current Year Depreciation	(3,800,236)	(2,250,132)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Intergovernmental	1,488,449	
Property Tax	(92,902)	
Income Tax	223,494	
Interest	16,932	1,635,973
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Serial and Term Bonds	5,080,000	
Certificates of Deposit	825,000	
Lease	112,597	6,017,597
Issuance of refunding bonds results in expenditures and other financing sources and uses in the governmental funds, but these transactions are reflected in the statement of net position as long-term deferred outflows and liabilities.		
Payment to Refunded Bond Escrow Agent	11,355,300	
Proceeds of Refunding Bonds	(11,300,000)	55,300
Amortization of premium on bonds are not reported in the fund but are allocated as an expense over the life of the debt in the statement of activities.		839,200
In the statement of activities, interest is accrued and accreted on outstanding bonds, and bond premium and the gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	32,334	
Amortization of Refunding Loss	(822,619)	
Accreted Interest	(71,350)	(861,635)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	7,139,124	
OPEB	165,925	7,305,049
Except for amount 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	(1,596,389)	
OPEB	358,262	(1,238,127)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		(1,783,380)
Some expenses reported in the statement of activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued Vacation Leave Payable		
Compensated Absences		468,762
Change in Net Position of Governmental Activities		$ 7,894,429

See accompanying notes to the basic financial statements.

Reynoldsburg City School District
Franklin County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues and Other Financing Sources	$ 82,484,520	$ 82,484,520	$ 85,745,728	$ 3,261,208
Expenditures and Other Financing Uses	88,120,488	85,684,897	83,662,098	2,022,799
Net Change in Fund Balance	(5,635,968)	(3,200,377)	2,083,630	5,284,007
Fund Balance Beginning of Year	46,374,481	46,374,481	46,374,481	-
Prior Year Encumbrances Appropriated	1,997,335	1,997,335	1,997,335	-
Fund Balance End of Year	$ 42,735,848	$ 45,171,439	$ 50,455,446	$ 5,284,007

See accompanying notes to the basic financial statements.

Reynoldsburg City School District
Franklin County, Ohio
Statement of Fund Net Position
Proprietary Fund
June 30, 2022

	Governmental Activities
	Internal Service Fund
Assets	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$ 8,062,553
Total Current Assets	8,062,553
Current Liabilities:	
Claims Payable	1,471,149
Total Current Liabilities	1,471,149
Net Position	
Unrestricted	6,591,404
Total Net Position	$ 6,591,404

See accompanying notes to the basic financial statements.

Reynoldsburg City School District
Franklin County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2022

	Governmental Activities
	Internal Service Fund
Operating Revenues	
Charges for Services	$ 11,850,273
Total Operating Revenues	11,850,273
Operating Expenses	
Purchased Services	1,624,305
Claims	12,009,348
Total Operating Expenses	13,633,653
Change in Net Position and Operating Loss	(1,783,380)
Net Position Beginning of Year	8,374,784
Net Position End of Year	$ 6,591,404

See accompanying notes to the basic financial statements.

Reynoldsburg City School District
Franklin 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	$ 11,855,530
Cash Payments for Purchased Services	(1,624,318)
Cash Payments for Claims	(11,730,171)
Net Cash Used for Operating Activities	(1,498,959)
Decrease in Cash and Cash Equivalents	(1,498,959)
Cash and Cash Equivalents Beginning of Year	9,561,512
Cash and Cash Equivalents End of Year	$ 8,062,553

Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	$ (1,783,380)
Adjustments:	
Decrease in Assets:	
Accounts Receivable	5,257
Increase (Decrease) in Liabilities:	
Accounts Payable	(13)
Claims Payable	279,177
Net Cash Used For Operating Activities	$ (1,498,959)

See accompanying notes to the basic financial statements.

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT

The Reynoldsburg City School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a city school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education and is responsible for the provision of public education to residents of the District.

The District employs non-certified and certified employees to provide services to students and community groups. The District provides regular, vocational and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services.

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities.

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. The District is also financially accountable for any organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District and are significant in amount to the District.

Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District does not have any component units.

The following organizations are described due to their relationship to the District:

JOINTLY GOVERNED ORGANIZATION

META Solutions
The District is a member of Meta Solutions. META Solutions is a consortium that provides software, hardware, staff development, and technology integration support for member schools. As one of 20+ ITC-sites around the state, META Solutions is a member of the Ohio Education Computer Network (OECN) which provides fiscal, support, and student services statewide to Ohio's school districts. Beyond these core services, META Solutions also provides additional services to member schools and contracted institutions. Financial information can be obtained from the offices of the Treasurer at 100 Executive Drive, Marion, Ohio, 43302.

PUBLIC ENTITY RISK POOL

Comp Management Group Retrospective Rating Program
The District participates in the Comp Management Group Retrospective Rating Program, a voluntary performance based incentive program. Similar to group rating, companies are grouped together to achieve lower premiums than they could as individuals. However, in this program, employers continue to own individual premiums and the BWC calculates group retro rebates/assessments at 12, 24 and 36 months after the end of the policy. This creates an incentive for participants to control and reduce losses by practicing effective workplace safety and claims management.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements (see Note 2 Interfund Activity). Governmental activities normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicant who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, payment in lieu of taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the 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.

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

The District's major funds include the following governmental funds: the general fund and the debt service fund. The general fund is the District's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund. The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The District's nonmajor governmental funds include capital projects funds and special revenue funds. The capital project funds are used to account for receipts and expenditures related to capital facilities. The special revenue funds are used to account for the proceeds of specific revenue sources, other than major capital projects, that are legally restricted to expenditures for specified purposes.

The District's nonmajor proprietary fund includes the following fund type:

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or, agencies of the government generally on a cost-reimbursement basis. The District has one such fund, an Employee Benefits Self-Insurance Fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. However, the activity for interfund services in the internal service fund are consolidated with the Governmental Activities on the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Charges for services (or charges for employee benefit costs) are the principal operating revenues for the District's internal service fund. Operating expenses for the internal service fund include the cost of purchased services and claims expenses and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Process

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

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

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

Cash and Investments

Monies received by the District are pooled with individual fund balance integrity maintained through the District's records. For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

During the fiscal year, the District had funds invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investments purposes. STAROhio 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 their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during the fiscal year amounted to $(584,914) which includes $(290,751) assigned from other governmental funds.

Inventory

Inventories of supplies are presented at cost on a first-in, first-out basis and are expended/expensed when used. Donated commodities are presented at their entitlement value.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

Capital Assets and Depreciation

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets are reported in the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District follows the policy of not capitalizing assets with a cost of less than $5,000 and a useful life of less than five years. The District does not possess any infrastructure.

Depreciation is computed using the straight-line method over the following useful lives:

Land Improvements	15
Buildings & Improvements	25
Buildings	50
Furniture, Fixtures, and Equipment	5-15
Vehicles	8

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

Interfund Activity

Transfers between governmental funds are eliminated on the government-wide statements. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

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

Compensated Absences

The District has implemented the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements, and state laws.

The entire compensated absence liability is reported on the government-wide financial statements. The amount of accumulated vacation and sick leave of employees applicable to governmental type activities is not reflected in the fund financial statements. When paid, compensated absences for governmental activities are paid from the fund to which the employee's payroll is charged. The funds which record expenditures or expenses for employee payroll and compensated absences are the General Fund, Food Service Fund and the various other special revenue funds.

Accrued Liabilities and Long-term Debt

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements as well as the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/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.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the District, deferred inflows of resources include property taxes, pension, OPEB 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 on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes, but is not limited to, delinquent property taxes, income taxes, intergovernmental revenues, and interest income. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position (See Notes 11 and 12).

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

Fund Balances

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 governmental funds. The classifications are as follows:

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

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

Enabling legislation authorizes the District to assess, levy, charge, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the District can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specific by the 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 Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Education, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. 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. Although no specific resolution has been made, the District Board of Education authorizes the Treasurer to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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

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

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

Net Position

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

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. There were no extraordinary or special items reported during the current fiscal year.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium and discount. Bond issuance costs are expensed in the period in which they are incurred.

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

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 is 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.

Implementation of New Accounting Principles

For the fiscal year ended June 30, 2022, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases,* GASB Statement No. 89*, Accounting for Interest Costs,* GASB Statement No. 92*, Omnibus 2020,* certain provisions of GASB Statement No. 93, *Replacement of Interbank Offered Rates,* certain provisions of GASB Statement No. 97*, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32,* and certain provisions in GASB Statement No. 99, *Omnibus 2022.*

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. These changes were incorporated in the District's financial statements; however, there was no effect on beginning net position/fund balance. These changes were the addition of a leases receivable and related deferred inflows as well a change in the presentation of intangible right to use equipment.

GASB Statement No. 89 requires that interest costs 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. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The implementation of GASB Statement No. 89 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 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of paragraphs 11b, 13 and 14 of GASB Statement No. 93 did not have an effect on the financial statements of the District.

GASB Statement No. 97 requirements that are related to a) the accounting and financial reporting for Section 457 plans and b) determining whether a primary government is financially accountable for a potential component unit were implemented for fiscal year 2022. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the District.

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

NOTE 3 – 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 requires accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations.

The Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

Net Change in Fund Balance

GAAP Basis	$ 551,418
Uniform School Supplies Change	3,785
Public School Support Change	5,859
Flex Spending Account Change	(25)
Revenue Accruals	4,233,142
Expenditure Accruals	(1,405,196)
Encumbrances	(1,305,353)
Budget Basis	$ 2,083,630

With the implementation of GASB Statement No. 54, *Fund Balance Reporting*, the District's Public School Support Fund, Uniform School Supplies Fund, and Alternative School Funds, no longer meet the special revenue fund type criteria for reporting in the fiscal year-end external financial statements. As such, these funds are presented as part of the District's General Fund in the year-end financial statements. The budgetary comparison information in the fiscal year-end financial statements is the legally adopted budget for the General Fund, without modification for the funds no longer meeting the special revenue criteria.

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 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 accounts, including passbook accounts.

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal 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 market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from 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;

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 (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 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within 5 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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits with Financial Institutions

Custodial credit risk for deposits is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, the bank balance was $14,320,868, of which $250,000 was covered by Federal Deposit Insurance Corporation (FDIC) and the remaining balance was uninsured and collateralized. The District's financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System.

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

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

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

Investments

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

				Investment Maturities		
Investment Type	Measurement Value	Credit Rating	Percent of Total	Less than one year	1 to 3 years	Greater than 3 years
STAR Ohio (NAV)	$23,588,599	AAAm	38.3%	$23,588,599	$ -	$ -
Money Market Funds (NAV)	6,740	Not Rated	0.0%	6,740	-	-
Negotiable CD's	8,341,729	Not Rated	13.6%	4,953,562	3,388,167	-
Commercial Paper	15,883,466	A-1	25.8%	15,883,466	-	-
Federal Agency Securities	8,535,922	AA+	14.0%	1,220,114	5,129,412	2,186,396
Federal Agency Securities	3,247,409	AAA	5.3%	-	2,740,048	507,361
Municipal Bonds	346,927	AAA	0.6%	-	346,927	-
US Treasury Notes	982,930	AA+	1.6%	-	982,930	-
US Treasury Bills	577,622	A-1+	0.8%	577,622	-	-
Total	$61,511,344		100%	$46,230,103	$12,587,484	$ 2,693,757

All investments are reported at fair value except STAR Ohio and money market funds, which are measured at the net asset value per share, which approximates 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. All of the District's fair value measurements are based on level 2 inputs. Institutional bond quotes and evaluations based on various market and industry inputs are used in the valuation of the District's level 2 investments.

In addition, in accordance with GASB Statement No. 79, the District's investment in STAR Ohio is reported at amortized cost. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2022, is 35 days.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, investment portfolio maturities are limited to five years or less. To reduce interest rate risk it is Management's policy to hold all investments to maturity.

Credit Risk: The District does not have a formal investment policy limiting credit risk.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The District's policy does not limit the amount invested in U.S. Treasury securities or those instruments guaranteed by the U.S. Treasury.

NOTE 5 – 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, public utility property, and tangible personal (used in business) property located in the District. Real property tax revenues received in calendar year 2022 represent the collection of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed values as of January 1, 2021, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2022 represent the collection of calendar year 2021 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien on December 31, 2022, were levied after April 1, 2022, 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 Franklin and Licking Counties. The County Auditors periodically advance to the District their 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 of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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	$ 869,638,160	97.10%	$ 871,557,730	96.77%
Public Utility Personal	25,962,740	2.90%	29,119,760	3.23%
Total	$ 895,600,900	100.00%	$ 900,677,490	100.00%
Tax rate per $1,000 of assessed valuation	$ 70.05		$ 68.80	

NOTE 6 – TAX ABATEMENTS

Under tax abatement agreements entered into by the Ohio EPA, the District's property tax revenues were reduced by $35,218.

NOTE 7 – INCOME TAXES

The District levies a voted tax of one-half percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1990 and is a continuing tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State of Ohio makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. The District's income tax receipts are credited to the General Fund.

NOTE 8 – LEASE AGREEMENTS

The District is reporting leases receivable of $526,783 in the governmental funds. This amount represents the discounted future lease payments. This discount is being amortized using the interest method. The leases commenced in fiscal years 2013 and 2021 and conclude in fiscal year 2038 and 2024. Payments are made monthly. Interest revenue for the lease during the fiscal year was $2,064.

A summary of future payments to be received is as follows:

	Governmental Activities	
Fiscal Year	Principal	Interest
2023	$ 37,575	$ 25,839
2024	15,473	24,465
2025	15,216	23,791
2026	17,346	23,027
2027	19,630	22,156
2028-2032	138,518	93,398
2033-2037	224,936	50,508
2038	58,089	2,917
	$ 526,783	$ 266,101

NOTE 9 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Capital Assets not Being Depreciated/Amortized				
Land	$ 9,375,887	$ -	$ -	$ 9,375,887
Construction in Progress	-	89,060	-	89,060
Total Capital Assets not Being Depreciated/Amortized	9,375,887	89,060	-	9,464,947
Capital Assets Being Depreciated/Amortized				
Land Improvements	5,838,857	-	-	5,838,857
Buildings	168,351,543	-	-	168,351,543
Buildings and Improvements	15,981,610	1,028,519	-	17,010,129
Furniture, Fixtures and Equipment	3,559,963	15,205	-	3,575,168
Intangible Right to Use Equipment	566,649	-	-	566,649
Vehicles	5,872,684	417,320	-	6,290,004
Total Capital Assets Being Depreciated/Amortized	200,171,306	1,461,044	-	201,632,350
Less Accumulated Depreciation/Amortization				
Land Improvements	(4,912,322)	(243,454)	-	(5,155,776)
Buildings	(89,313,663)	(2,350,028)	-	(91,663,691)
Buildings and Improvements	(1,860,658)	(627,837)	-	(2,488,495)
Furniture, Fixtures and Equipment	(2,703,766)	(27,057)	-	(2,730,823)
Intangible Right to Use Equipment	(226,660)	(113,329)	-	(339,989)
Vehicles	(3,631,088)	(438,531)	-	(4,069,619)
Total Accumulated Depreciation/Amortization	(102,648,157)	(3,800,236)	-	(106,448,393)
Capital Assets, Being Depreciated/ Amortized, Net	97,523,149	(2,339,192)	-	95,183,957
Capital Assets, Net	$ 106,899,036	$ (2,250,132)	$ -	$ 104,648,904

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

	Amount
Regular Instruction	$ 1,645,275
Special Instruction	641,852
Vocational Instruction	5,005
Other Instruction	9,033
Pupils	209,226
Instructional Staff	184,039
Board of Education	1,016
Administration	317,492
Fiscal	61,500
Business	12,533
Operations and Maintenance	332,855
Pupil Transportation	179,867
Central	30,425
Food Service Operations	109,388
Other Non-Operational Services	24,250
Extracurricular Activities	36,480
Total Depreciation/Amortization Expense	$ 3,800,236

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NOTE 10 – LONG-TERM OBLIGATIONS

	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds						
Refunding Bonds - Series 2013						
Term Bonds	4.919%	$ 14,565,000	$ -	$ (1,180,000)	$ 13,385,000	$ 1,235,000
Bond Premium		2,334,943	-	(245,783)	2,089,160	-
Refunding Bonds - Series 2014						
Term Bonds	4.939%	14,140,000	-	(890,000)	13,250,000	930,000
Bond Premium		2,812,717	-	(244,584)	2,568,133	-
Refunding Bonds - Series 2015						
Serial Bonds	4.178%	42,015,000	-	(3,010,000)	39,005,000	2,950,000
CABs		44,987	-	-	44,987	-
CABs Premium		241,365	-	(48,273)	193,092	-
Accretion on CABs		413,641	71,350	-	484,991	-
Bond Premium		3,456,433	-	(300,560)	3,155,873	-
Total General Obligation Bonds		80,024,086	71,350	(5,919,200)	74,176,236	5,115,000
Direct Borrowings						
Certificates of Participation Bonds - Series 2017						
Serial and Term Bonds	3.200%	11,300,000	-	(11,300,000)	-	-
Bond Premium		55,300	-	(55,300)	-	-
Lease Purchase Bonds - Series 2021						
Serial Bonds	2.250%	-	11,300,000	(825,000)	10,475,000	850,000
Total Direct Borrowings		11,355,300	11,300,000	(12,180,300)	10,475,000	850,000
Net Pension Liability		93,086,540	-	(44,136,298)	48,950,242	-
Net OPEB Liability		5,751,915	-	(1,019,253)	4,732,662	-
Compensated Absences		3,480,462	397,211	(951,582)	2,926,091	71,365
Leases Payable		365,667	-	(112,597)	253,070	118,252
Total Governmental Activities		$ 194,063,970	$ 11,768,561	$ (64,319,230)	$ 141,513,301	$ 6,154,617

Series 2003 Bonds

On March 24, 2003, the District issued general obligation bonds to provide funds for improvements to school facilities. These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment.

This issue is comprised of both current interest bonds, par value $29,455,000, and capital appreciation bonds, par value $344,979. The interest rates on the current interest bonds range from 2.00% to 5.00%. The capital appreciation bonds matured on December 1, 2008 (approximate initial offering yield at maturity 2.86%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date.

In November 2013, the outstanding amount of these bonds were refunded by the Series 2013 Bonds.

Series 2005 Bonds

On April 6, 2005, the District issued general obligation bonds to provide funds for construction and improvements to school facilities in the amount of $23,950,000 with a variable interest rate from 3.00% to 5.00%. These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment.

In October 2014, the outstanding amount of these bonds were refunded by the Series 2014 Bonds.

Series 2007 Bond Anticipation Notes

On November 29, 2007, the District issued bond anticipation notes in the amount of $9,540,000 to refund the callable portion of the 1997 series general obligation refunding bonds. These bond anticipation notes were subsequently purchased by Dexia Credit Local (Dexia) and a swap option was exercised obligating Dexia to pay the variable interest rate due on the notes in return for a fixed rate to be received by the District (see Series 2013 Bonds below).

Series 2008 Bonds

On July 9, 2008, the District issued general obligation bonds to provide funds for construction and improvements to school facilities. These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment.

This issue is comprised of both current interest bonds, par value $55,935,000, and capital appreciation bonds, par value $64,988. The interest rates on the current interest bonds range from 3.00% to 5.25%. The capital appreciation bonds mature on December 1, 2016 (approximate initial offering yield at maturity 4.30%) and December 1, 2017 (approximate initial offering yield at maturity 4.42%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is $2,500,000 and the accreted value at fiscal year-end was $0.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2032.

In May 2015, $47,670,000 of the current interest bonds were refunded by the Series 2015 Bonds.

Series 2013 Bonds

In November 2013, the District issued $21,580,000 in general obligation refunding current interest bonds with an interest cost of 4.919% for the purpose of currently refunding the outstanding principal amount of the 2003 general obligation bonds and terminating an interest rate hedge agreement with Dexia Credit Local. The District received $25,758,320 in bond proceeds, which included a $4,178,320 premium. The bonds will be retired from the debt service fund. The incremental benefit of this refunding was $49,462. The refunding did not increase the overall debt of the District; however, since funds were needed to terminate the interest rate hedge agreement, the District lost the opportunity to capitalize on lower interest rates.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is September 1, 2030.

The following is a summary of the future debt service requirements to maturity for the 2013 series general obligation bonds:

Fiscal Year	Principal	Interest	Total
2023	$ 1,235,000	$ 628,033	$ 1,863,033
2024	1,290,000	565,931	1,855,931
2025	1,345,000	501,123	1,846,123
2026	1,410,000	433,363	1,843,363
2027	1,475,000	362,407	1,837,407
2028-2031	6,630,000	650,048	7,280,048
Total	$13,385,000	$ 3,140,905	$16,525,905

Series 2014 Bonds

In December 2014, the District issued $18,665,000 in general obligation refunding current interest bonds with an interest cost of 4.939% for the purpose of currently refunding the outstanding principal amount of the 2005 general obligation bonds and terminating an interest rate hedge agreement with Dexia Credit Local. The District received $23,067,514 in bond proceeds, which included a $4,402,514 premium. The bonds will be retired from the debt service fund. The District decreased its total debt service payments by $10,600 as a result of the refunding. The District also incurred an economic gain (difference between the present value of the old and new debt service payments) of $410. The refunding did not increase the overall debt of the District; however, since funds were needed to terminate the interest rate hedge agreement, the District lost the opportunity to capitalize on lower interest rates.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2032.

The following is a summary of the future debt service requirements to maturity for the 2014 series general obligation bonds:

Fiscal Year	Principal	Interest	Total
2023	$ 930,000	$ 631,451	$ 1,561,451
2024	980,000	584,283	1,564,283
2025	1,030,000	534,646	1,564,646
2026	1,080,000	482,540	1,562,540
2027	1,135,000	427,841	1,562,841
2028-2032	6,575,000	1,218,822	7,793,822
2033	1,520,000	18,768	1,538,768
Total	$13,250,000	$3,898,351	$17,148,351

Series 2015 Bonds

In May 2015, the District issued $47,669,987 in general obligation refunding bond anticipation notes with an interest cost of 4.178% for the purpose of currently refunding $47,670,000 of the 2008 general obligation bonds. The District received $53,480,648 in bond proceeds, which included a $5,810,661 premium. The bonds will be retired from the debt service fund. The District decreased its total debt service payments by $3,859,263 as a result of the refunding. The District also incurred an economic gain (difference between the present value of the old and new debt service payments) of $2,996,143.The refunding did not increase the overall debt of the District.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2032.

The following is a summary of the future debt service requirements to maturity for the 2015 series general obligation bonds:

	Current Interest Bonds				Capital Appreciation Bonds		
Fiscal Year	Principal	Interest	Total	Fiscal Year	Principal	Interest	Total
2023	$ 2,950,000	$ 1,574,400	$ 4,524,400	2023	$ -	$ -	$ -
2024	3,100,000	1,423,150	4,523,150	2024	-	-	-
2025	3,425,000	1,276,875	4,701,875	2025	-	-	-
2026	2,750,000	1,139,350	3,889,350	2026	529,978	280,022	810,000
2027	3,700,000	978,100	4,678,100	2027	-	-	-
2028-2032	20,560,000	2,415,100	22,975,100	2028-2032	-	-	-
2033	2,520,000	44,100	2,564,100	2033	-	-	-
Total	$ 39,005,000	$ 8,851,075	$ 47,856,075	Total	$ 529,978	$ 280,022	$ 810,000

Series 2017 Bonds

In January 2018, the District issued $13,415,000 certificates of participation bonds with an interest cost of 3.20% for the purpose of constructing, improving, furnishing, and equipping school facilities through a ground lease agreement with Capital One Public Funding, LLC. The District received $13,487,131 in bond proceeds, which included a $72,131 premium. The bonds will be retired from the general fund.

Interest payments on the bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2032.

In July 2021, $11,300,000 of the current interest bonds were refunded by the Series 2021 Bonds.

Series 2021 Bonds

In July 2021, the District issued $11,300,000 in general obligation refunding certificates of participation bonds with an interest cost of 2.25% for the purpose of currently refunding $11,300,000 of the 2017 certificates of participation bonds. The District received $11,300,000 in bond proceeds. The bonds will be retired from the debt service fund. The District decreased its total debt service payments by $816,922 as a result of the refunding. The District also incurred an economic gain (difference between the present value of the old and new debt service payments) of $721,530.The refunding did not increase the overall debt of the District.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2032.

The following is a summary of the future debt service requirements to maturity for the 2021 general obligation refunding certificates of participation bonds:

Fiscal Year	Principal	Interest	Total
2023	$ 850,000	$ 226,125	$ 1,076,125
2024	870,000	206,775	1,076,775
2025	890,000	186,975	1,076,975
2026	905,000	166,781	1,071,781
2027	930,000	146,138	1,076,138
2028-2032	4,965,000	403,932	5,368,932
2033	1,065,000	11,981	1,076,981
Total	$10,475,000	$1,348,707	$11,823,707

Leases Payable

The District has entered into leases for copiers. Principal and interest payments associated with the outstanding lease obligation is paid by the General Fund. The agreement provides for minimum annual payments as follows:

Fiscal Year	Principal	Interest	Total
2023	$ 118,252	$ 9,788	$ 128,040
2024	124,191	3,849	128,040
2025	10,627	43	10,670
Total	$ 253,070	$ 13,680	$ 266,750

Refunding and Sold Options

In 2008, the District entered into an agreement with Dexia for Dexia to purchase bond anticipation notes that were or may be issued to refund a portion of the general obligation bonds discussed above. These refunding bond anticipation notes, as or if issued, bear or would bear variable interest rates based upon the Securities Industry and Financial Markets Association (SIFMA, formerly the Bond Marketing Association, BMA) Municipal Swap Index plus 29 basis points (0.29%).

Simultaneously, the District entered into options (swap options, or swaptions) which, as or if exercised, would obligate Dexia to pay the variable interest due on the notes and receive a fixed rate from the District. Dexia paid the District $2,416,000 for these swap options, which, net of fees and expenses of $899,088, resulted in $1,516,912 being deposited into the District's permanent improvement fund, a nonmajor governmental fund, to be used for various capital projects.

The notes related to $9,540,000 of the 1997 issue were issued November 29, 2007, the notes related to $21,580,000 of the 2003 issue were issued November 29, 2013, and the notes related to $18,665,000 of the 2005 issue were issued December 1, 2014.

The purpose of the interest rate swap transactions with Dexia was to or would be to hedge the exposure of the District against interest rate fluctuations arising from the variable rates borne by these bond anticipation notes. Under the swap agreement, the District is or would be the fixed rate payer, paying fixed rates ranging from approximately 5.38% to 5.45% on the 1997 issue; approximately 4.54% to 5.00% on the 2003 issue, and approximately 4.625% to 4.967% on the 2005 issue. The counterparty, Dexia, is or would be the floating rate payer, paying the actual variable rate borne by the notes. The floating rates are or would be determined in accordance with the weekly SIFMA Swap Index.

During fiscal year 2012, the District terminated the agreement related to 1997 issue through the issuance of the Series 2012 General Obligation Refunding Bonds. The proceeds of the current refunding bonds were used to currently refund the outstanding principal amounts tied to the agreements ($8,150,000 Series 2007 Bond Anticipation Notes) and terminate the interest rate hedge agreement at a net cost of $1,063,718. This refunding did not increase the overall general obligation debt of the District and resulted in a savings of $111,203.

During fiscal year 2014, the District terminated the agreement related to 2003 issue through the issuance of the Series 2013 General Obligation Refunding Bond Anticipation Notes. The proceeds of the current refunding bonds were used to currently refund the outstanding principal amounts tied to the agreements ($21,580,000 Series 2003 Bond Anticipation Notes) and terminate the interest rate hedge agreement at a net cost of $4,178,320. This refunding did not increase the overall general obligation debt of the District and the incremental benefit of this refunding was $49,462.

During fiscal year 2015, the District terminated the agreement related to 2005 issue through the issuance of the Series 2014 General Obligation Refunding Bond Anticipation Notes. The proceeds of the current refunding bonds were used to currently refund the outstanding principal amounts tied to the agreements ($18,665,000 Series 2005 Bond Anticipation Notes) and terminate the interest rate hedge agreement at a net cost of $4,402,514. This refunding did not increase the overall general obligation debt of the District and the incremental benefit of this refunding was $10,600.

Net Pension/OPEB Liability

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from the employees' service. For additional information related to the net pension liability and net OPEB liability see Note 11 and 12.

Compensated Absences

Compensated absences represent accumulated vacation and an estimated severance liability for employees both eligible to retire and those expected to become eligible in the future. The entire compensated absences balance is reported on the entity-wide financial statements. For governmental fund financial statements, the compensated absences are reported only to the extent they have matured and will be paid with current financial resources. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as fund liability.

The District pays obligations related to compensated absences from the fund benefitting from the employees' service.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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 all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities (assets) within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

The District's contractually required contribution to SERS was $1,297,702 for fiscal year 2022. Of this amount, $117,149 is reported an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective August 1, 2017 – July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019 – July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Eligibility changes for actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

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

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

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

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

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

The District's contractually required contribution to STRS was $5,841,422 for fiscal year 2022. Of this amount, $815,204 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.2439297%	0.31245315%	
Prior Measurement Date	0.2549402%	0.31502259%	
Change in Proportionate Share	-0.0110105%	-0.00256944%	
Proportionate Share of the Net Pension Liability	$ 9,000,299	$ 39,949,943	$ 48,950,242
Pension Expense	$ (527,013)	$ 2,123,402	$ 1,596,389

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

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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	$ 869	$ 1,234,259	$ 1,235,128
Changes of Assumptions	189,520	11,082,830	11,272,350
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	-	3,637,188	3,637,188
District Contributions Subsequent to the Measurement Date	1,297,702	5,841,422	7,139,124
Total Deferred Outflows of Resources	$ 1,488,091	$ 21,795,699	$ 23,283,790
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 233,414	$ 250,405	$ 483,819
Net Difference between Projected and Actual Earnings on Pension Plan Investments	4,635,416	34,429,206	39,064,622
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	469,396	479,106	948,502
Total Deferred Inflows of Resources	$ 5,338,226	$ 35,158,717	$ 40,496,943

$7,139,124 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	$ (1,456,201)	$ (4,075,012)	$ (5,531,213)
2024	(1,166,708)	(3,654,850)	(4,821,558)
2025	(1,102,135)	(4,530,015)	(5,632,150)
2026	(1,422,793)	(6,944,563)	(8,367,356)
Total	$ (5,147,837)	$ (19,204,440)	$ (24,352,277)

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net Pension Liability	$ 14,974,286	$ 9,000,299	$ 3,962,174

Actuarial Assumptions - STRS

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

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

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

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

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net Pension Liability	$ 74,811,293	$ 39,949,943	$ 10,492,179

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS

See Note 11 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.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2022, SERS did not allocate any employer contributions to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the District's surcharge obligation was $165,925, which is reported as an intergovernmental 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. Medicare Part B partial premium reimbursements will be continued indefinitely. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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

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

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.2500640%	0.31245300%	
Prior Measurement Date	0.2646590%	0.31502300%	
Change in Proportionate Share	-0.0145950%	-0.00257000%	
Proportionate Share of the Net OPEB Liability (Asset)	$ 4,732,662	$ (6,587,815)	
OPEB Expense	$ (108,075)	$ (250,187)	$ (358,262)

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	$ 50,448	$ 234,574	$ 285,022
Changes of Assumptions	742,442	420,802	1,163,244
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	167,700	539,625	707,325
District Contributions Subsequent to the Measurement Date	165,925	-	165,925
Total Deferred Outflows of Resources	$ 1,126,515	$ 1,195,001	$ 2,321,516
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 2,357,082	$ 1,207,010	$ 3,564,092
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	102,818	1,826,026	1,928,844
Changes of Assumptions	648,099	3,930,120	4,578,219
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	390,735	1,293	392,028
Total Deferred Inflows of Resources	$ 3,498,734	$ 6,964,449	$ 10,463,183

$165,925 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (542,418)	$ (1,589,456)	$ (2,131,874)
2024	(543,136)	(1,543,762)	(2,086,898)
2025	(558,579)	(1,636,480)	(2,195,059)
2026	(502,029)	(750,164)	(1,252,193)
2027	(290,942)	(255,372)	(546,314)
Thereafter	(101,040)	5,786	(95,254)
Total	$ (2,538,144)	$ (5,769,448)	$ (8,307,592)

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	$ 5,864,346	$ 4,732,662	$ 3,828,600

	1% Decrease	Current Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	$ 3,643,765	$ 4,732,662	$ 6,187,104

Actuarial Assumptions – STRS

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

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

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

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

The actuarial assumptions used in the June 30, 2021 valuation were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability (Asset)	$ (5,559,098)	$ (6,587,815)	$ (7,447,155)

	1% Decrease	Current Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability (Asset)	$ (7,412,335)	$ (6,587,815)	$ (5,568,222)

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

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

NOTE 13 - RISK MANAGEMENT

Comprehensive

The District maintains comprehensive insurance coverage for liability, real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has also been no significant reduction in the amount of insurance coverage from the previous fiscal year.

Health Care Self-Insurance Program

The District manages employee health benefits on a self-insured basis. The employee health benefit plan provides basic health and dental coverage through Medical Mutual/Guardian, the third party administrator (TPA) of the program, which reviews and pays the claims. A specific excess loss coverage (stop-loss) insurance policy covers claims in excess of $130,000 per employee per year. The family and single premiums were $1,728.00 and $639.00 for medical and $102.07 and $81.06 for dental, respectively. The TPA charges the District a medical administration fee of $54.90 for family and $23.04 for single per employee per month and a dental administration fee of $3.90 per employee per month. The family and single premiums were $16.00 and $7.00 for vision.

A claims liability of $1,471,149 at June 30, 2022, in the internal service fund reflects an estimate of incurred but unpaid claims liability for health and dental insurance. This liability was determined in accordance with actuarially acceptable reserving standards and was certified by an accredited actuary, as required by state statute. The actuarial calculation for this amount does not identify amount due in one year; since claims paid in one year are more than four times the year end liability, the total amount has been reported as a current liability.

A summary of the changes in self-insurance claims liability, for the fiscal years ended June 30, 2022 and 2021 follows:

	2022	2021
Claims Liability at July 1	$ 1,191,972	$ 1,024,558
Incurred Claims	12,009,348	12,212,528
Claims Paid	(11,730,171)	(12,045,114)
Claims Liability at June 30	$ 1,471,149	$ 1,191,972

Workers' Compensation Retrospective Rating Program

During the fiscal year, the District participated in the Comp Management Group Retrospective Rating Program, a voluntary performance based incentive program. Similar to group rating, companies are grouped together to achieve lower premiums than they could as individuals. However, in this program, employers continue to own individual premiums and the BWC calculates group retro rebates/assessments at 12, 24 and 36 months after the end of the policy. This creates an incentive for participants to control and reduce losses by practicing effective workplace safety and claims management.

NOTE 14 – INTERFUND ACTIVITY

During the fiscal year, the District had transfers as follows:

	Transfer Out	Transfer In
General Fund	$ 117,228	$ -
Other Governmental Funds	-	117,228
Total	$ 117,228	$ 117,228

The District transferred $117,228 from the General Fund to the District Managed Student Activities Fund. Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

On an as-needed basis, the District's General Fund advances cash to other funds of the District to eliminate cash deficits. During the year, advances from the District's General Fund were made. As of June 30, 2022, receivables and payables that resulted from advance transactions were as follows:

Fund	Due to Other Funds	Due from Other Funds
General Fund	$ -	$ 2,550,889
Other Governmental Funds	2,550,889	-
Total	$ 2,550,889	$ 2,550,889

NOTE 15 – ACCOUNTABILITY AND COMPLIANCE

Unassigned fund balances at fiscal year-end included the following individual deficits:

Fund	Deficit Balance
District Managed Student Activities	$ (83,477)
Early Childhood Education	(160,000)
Title VI IDEA-B	(101,401)
ESSER	(4)
Limited English Proficiency	(6,991)
Refugee Children School Impact	(601)
Title I	(115,895)
Improving Teacher Quality	(24,736)
Miscellaneous Federal Funds	(1,559,352)
Total	$ (2,052,457)

The GAAP basis deficit balances in the Other Governmental Funds are a result of the application of accounting principles generally accepted in the United States of America. The General Fund provides advances to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 16 – COMMITMENTS

Significant encumbrances as of fiscal year-end were as follows:

	Encumbrances
General Fund	$ 1,305,353
Other Governmental Funds	996,245
Total	$ 2,301,598

NOTE 17 – SET ASIDE REQUIREMENTS

The District is required by State law to annually set aside, in the General Fund, an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end. These amounts must be carried forward and used for the same purposes in future years.

The following modified cash basis information identifies the changes in the set aside balances for capital improvements:

	Capital Acquisition
Set-aside cash balance as of June 30, 2021	$ -
Current fiscal year set-aside requirement	1,329,648
Current year qualifying disbursements	(1,329,648)
Total	$ -
Balance carried forward to FY 2023	$ -
Set Aside Reserve Balance June 30, 2022	$ -

Capital Acquisition

During fiscal year 2003, the District issued $29,800,000 in capital related debt based on a building project under taken by the District. During fiscal year 2005, the District issued $23,950,000 in capital related debt for a new building project. During fiscal year 2009, the District issued $55,999,988 in capital related debt for a new building project. Those proceeds may be used as qualifying disbursements to reduce the capital acquisition to zero for future years. Therefore, the District still has $99,506,996 in qualifying disbursements that may be used to reduce the set-aside requirement for future years.

NOTE 18 – CONTINGENCIES

Grants

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

Litigation

The District is not currently party to legal proceedings.

NOTE 19 – FUND BALANCE

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

	General	Debt Service	Other Governmental Funds	Total
Nonspendable for:				
Materials & Supplies				
Prepaids	$ 353,248	$ -	$ 2,128	$ 355,376
Library Support Endowment	-	-	25,000	25,000
Inventory	-	-	55,661	55,661
Total Nonspendable	353,248	-	82,789	436,037
Restricted for:				
Capital Projects	-	-	336,664	336,664
Debt Service	-	8,761,082	-	8,761,082
Food Service	-	-	3,643,920	3,643,920
Scholarships	-	-	44,845	44,845
Classroom Facilities Maintenance	-	-	913,538	913,538
Student Activities	-	-	90,569	90,569
State Funded Programs	326,711	-	574,450	901,161
Federally Funded Programs	-	-	12,240	12,240
Locally Funded Programs	1,683	-	65,489	67,172
Library Support Endowment	-	-	2,162	2,162
Total Restricted	328,394	8,761,082	5,683,877	14,773,353
Committed for:				
Instruction	-	-	138,096	138,096
Total Committed	-	-	138,096	138,096
Assigned for:				
Encumbrances:				
Instruction	75,536	-	-	75,536
Support Services	105,873	-	-	105,873
Subsequent Year Appropriations	1,029,242	-	-	1,029,242
Public School Support	129,805	-	-	129,805
Capital Projects	-	-	4,027,368	4,027,368
Total Assigned	1,340,456	-	4,027,368	5,367,824
Unassigned	50,405,108	-	(2,052,457)	48,352,651
Total Fund Balance	$ 52,427,206	$ 8,761,082	$ 7,879,673	$ 69,067,961

NOTE 20 – COVID-19

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

The District's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

REQUIRED SUPPLEMENTARY INFORMATION

Reynoldsburg City School District
Franklin County, Ohio

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

Last Nine Fiscal Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
School Employees Retirement System (SERS)									
District's Proportion of the Net Pension Liability	0.2439297%	0.2549402%	0.2588723%	0.2547406%	0.2480767%	0.2499384%	0.2429349%	0.2487260%	0.2487260%
District's Proportionate Share of the Net Pension Liability	$ 9,000,299	$ 16,862,282	$ 15,488,784	$ 14,589,466	$ 14,822,035	$ 18,293,185	$ 13,862,101	$ 12,587,881	$ 14,790,937
District's Covered Payroll	$ 8,452,593	$ 8,957,014	$ 8,880,785	$ 8,319,163	$ 9,070,257	$ 7,507,800	$ 8,590,842	$ 7,271,602	$ 7,575,448
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	106.48%	188.26%	174.41%	175.37%	163.41%	243.66%	161.36%	173.11%	195.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%
School Teachers Retirement System (STRS)									
District's Proportion of the Net Pension Liability	0.31245315%	0.31502259%	0.29695386%	0.28454548%	0.27169131%	0.25586011%	0.25003665%	0.25222837%	0.25222837%
District's Proportionate Share of the Net Pension Liability	$ 39,949,943	$ 76,224,258	$ 65,669,562	$ 62,565,162	$ 64,540,853	$ 85,644,091	$ 69,102,817	$ 61,350,669	$ 73,080,515
District's Covered Payroll	$ 38,628,679	$ 38,540,107	$ 34,863,536	$ 32,348,021	$ 32,075,621	$ 33,134,236	$ 32,173,807	$ 30,913,908	$ 33,361,269
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	103.42%	197.78%	188.36%	193.41%	201.21%	258.48%	214.78%	198.46%	219.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.80%	75.48%	77.40%	77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

Reynoldsburg City School District
Franklin County, Ohio

Schedule of the District's Contributions - Pension

Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
School Employees Retirement System (SERS)										
Contractually Required Contribution	$ 1,297,702	$ 1,183,363	$ 1,253,982	$ 1,198,906	$ 1,123,087	$ 1,269,836	$ 1,051,092	$ 1,132,273	$ 1,007,844	$ 1,048,442
Contributions in Relation to the Contractually Required Contribution	1,297,702	1,183,363	1,253,982	1,198,906	1,123,087	1,269,836	1,051,092	1,132,273	1,007,844	1,048,442
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 9,269,300	$ 8,452,593	$ 8,957,014	$ 8,880,785	$ 8,319,163	$ 9,070,257	$ 7,507,800	$ 8,590,842	$ 7,271,602	$ 7,575,448
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%	13.84%
School Teachers Retirement System (STRS)										
Contractually Required Contribution	$ 5,841,422	$ 5,408,015	$ 5,395,615	$ 4,880,895	$ 4,528,723	$ 4,490,587	$ 4,638,793	$ 4,504,333	$ 4,018,808	$ 4,336,965
Contributions in Relation to the Contractually Required Contribution	5,841,422	5,408,015	5,395,615	4,880,895	4,528,723	4,490,587	4,638,793	4,504,333	4,018,808	4,336,965
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 41,724,443	$ 38,628,679	$ 38,540,107	$ 34,863,536	$ 32,348,021	$ 32,075,621	$ 33,134,236	$ 32,173,807	$ 30,913,908	$ 33,361,269
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	13.00%

See accompanying notes to the required supplementary information.

Reynoldsburg City School District
Franklin County, Ohio

Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)

Last Six Fiscal Years (1)

	2022	2021	2020	2019	2018	2017
School Employees Retirement System (SERS)						
District's Proportion of the Net OPEB Liability	0.2500640%	0.2646590%	0.2651340%	0.2591000%	0.2517077%	0.2532281%
District's Proportionate Share of the Net OPEB Liability	$ 4,732,662	$ 5,751,915	$ 6,667,557	$ 7,188,134	$ 6,755,173	$ 7,217,939
District's Covered Payroll	$ 8,452,593	$ 8,957,014	$ 8,880,785	$ 8,319,163	$ 9,070,257	$ 7,507,800
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	55.99%	64.22%	75.08%	86.40%	74.48%	96.14%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%
School Teachers Retirement System (STRS)						
District's Proportion of the Net OPEB Liability (Asset)	0.31245300%	0.31502300%	0.29695400%	0.28454548%	0.27169131%	0.25586011%
District's Proportionate Share of the Net OPEB Liability (Asset)	$ (6,587,815)	$ (5,536,523)	$ (4,918,271)	$ (4,572,356)	$ 10,600,392	$ 13,683,465
District's Covered Payroll	$ 38,628,679	$ 38,540,107	$ 34,863,536	$ 32,348,021	$ 32,075,621	$ 33,134,236
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-17.05%	-14.37%	-14.11%	-14.13%	33.05%	41.30%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	174.73%	182.10%	174.70%	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

Reynoldsburg City School District
Franklin County, Ohio

Schedule of the District's Contributions - OPEB

Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
School Employees Retirement System (SERS)										
Contractually Required Contribution (1)	$ 165,925	$ 153,905	$ 158,043	$ 187,337	$ 178,631	$ 137,035	$ 126,827	$ 172,575	$ 65,587	$ 127,234
Contributions in Relation to the Contractually Required Contribution	165,925	153,905	158,043	187,337	178,631	137,035	126,827	172,575	65,587	127,234
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 9,269,300	$ 8,452,593	$ 8,957,014	$ 8,880,785	$ 8,319,163	$ 9,070,257	$ 7,507,800	$ 8,590,842	$ 7,271,602	$ 7,575,448
Contributions as a Percentage of Covered Payroll	1.79%	1.82%	1.76%	2.11%	2.15%	1.51%	1.69%	2.01%	0.90%	1.68%
School Teachers Retirement System (STRS)										
Contractually Required Contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 60,665	$ 50,532
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-	-	-	-	60,665	50,532
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 41,724,443	$ 38,628,679	$ 38,540,107	$ 34,863,536	$ 32,348,021	$ 32,075,621	$ 33,134,236	$ 32,173,807	$ 30,913,908	$ 33,361,269
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.15%

(1) Includes Surcharge

See accompanying notes to the required supplementary information.

NOTE 1 - NET PENSION LIABILITY

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

Changes in Assumptions - SERS

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

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

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

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

Changes in Benefit Terms - SERS

For fiscal year 2022, cost-of-living adjustments was reduced from 2.50 percent to 2.00 percent.

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

Changes in Assumptions – STRS

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

For fiscal year 2018, the Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Changes in Benefit Terms - STRS

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

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:

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

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

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

Pre-Medicare Trend Assumption

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

Medicare Trend Assumption

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

Changes in Benefit Terms - SERS

There have been no changes to the benefit provisions.

Changes in Assumptions – STRS

For fiscal year 2022, the discount rate was adjusted to 7.00 percent from 7.45 percent for the June 30, 2021 valuation.

For fiscal year 2021, valuation year per capita health care costs were updated. Health care cost trend rates ranged from 4.93 percent to 9.62 percent initially for fiscal year 2020 and changed for fiscal year 2021 to a range of -6.69 percent to 11.87 percent, initially.

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

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Changes in Benefit Terms – STRS

For fiscal year 2022, there was no change to the claims cost process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022 premium based on June 30, 2021 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent. The non-Medicare frozen subsidy based premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in calendar year 2022. The Part B monthly reimbursement elimination was postponed indefinitely.

For fiscal year 2021, there were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. This was subsequently extended, see above paragraph.

REYNOLDSBURG CITY SCHOOL DISTRICT
FRANKLIN COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	N/A	1,313,872
National School Lunch Program	10.555	N/A	3,679,568
National School Lunch Program - Non-Cash Assistance	10.555	N/A	388,710
COVID-19 National School Lunch Program	10.555	N/A	252,154
Summer Food Service Program for Children	10.559	N/A	198,313
Total Child Nutrition Cluster			5,832,617
Farm to School Grant Program	10.575	N/A	1,232
COVID-19 Pandemic EBT Administrative Costs	10.649	N/A	3,063
Total U.S. Department of Agriculture			**5,836,912**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Title I Grants to Local Educational Agencies	84.010A	N/A	2,285,360
Special Education Cluster:			
Special Education - Grants to States	84.027A	N/A	1,550,048
Special Education - Preschool Grants	84.173A	N/A	39,809
Total Special Education Cluster			1,589,857
Twenty-First Century Community Learning Centers	84.287C	N/A	183,502
English Language Acquisition State Grants	84.365A	N/A	192,780
Improving Teacher Quality State Grants	84.367A	N/A	333,735
Striving Readers	84.371C	N/A	4,485
Passed Through Columbus State Community College			
Investing in Innovation (i3) Fund	84.411	N/A	17,000
Passed Through Ohio Department of Education			
Student Support and Academic Enrichment Program	84.424A	N/A	117,422
COVID-19 Education Stabilization Fund	84.425D	N/A	3,328,317
COVID-19 Education Stabilization Fund	84.425U	N/A	1,063,934
Total COVID-19 Education Stabilization Fund			4,392,251
Total U.S. Department of Education			**9,116,392**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Ohio Department of Education			
Refugee and Entrant Assistance - State Adminstered Programs	93.566	N/A	35,059
Total U.S. Department of Health and Human Services			**35,059**
Total Expenditures of Federal Awards			**$14,988,363**

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - MATCHING REQUIREMENTS

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

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*

Reynoldsburg City School District
Franklin County
7244 East Main Street
Reynoldsburg, Ohio 43068

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Reynoldsburg City School District, Franklin County, (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 14, 2023, wherein we noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

March 14, 2023

OHIO AUDITOR OF STATE
KEITH FABER

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

Reynoldsburg City School District
Franklin County
7244 East Main Street
Reynoldsburg, Ohio 43068

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *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 each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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 each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 14, 2023

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REYNOLDSBURG CITY SCHOOL DISTRICT
FRANKLIN 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):**	COVID-19 – Education Stabilization Fund – AL # 84.425 Title I – AL # 84.010
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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OHIO AUDITOR OF STATE
KEITH FABER

REYNOLDSBURG CITY SCHOOL DISTRICT

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/28/2023

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