



OHIO AUDITOR OF STATE
KEITH FABER



**WHEELERSBURG LOCAL SCHOOL DISTRICT
SCIOTO COUNTY
JUNE 30, 2022**

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**WHEELERSBURG LOCAL SCHOOL DISTRICT
SCIOTO COUNTY
JUNE 30, 2022**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Wheelersburg Local School District
Scioto County
P.O. Box 340
Wheelersburg, Ohio 45694

To the Board of Education:

Report of the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, for fiscal year 2022, the School District modified its approach related to eligibility requirements of certain School District grants resulting in the restatement to net position at July 1, 2021. In addition to this, they also implemented GASB 87 for leases and it resulted in a restatement to net position at July 1, 2021. Also, as discussed in Note 22 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the School District. We did not modify our opinion regarding these matters.

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 School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, 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 evidence sufficient to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2023, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

March 15, 2023

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

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

Financial Highlights

In total, Net Position increased \$1,543,916.

The School District had an increase in foundation funding due to a change in the State's funding formula.

The most significant changes from the prior fiscal year are due to the State-wide pension systems' changes in assumptions and benefit terms.

The School District had a decrease in tuition revenue related to a reduction in open enrollment during the fiscal year.

Using the Basic Financial Statements

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

The Statement of Net Position and the Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's major funds with all other nonmajor funds presented in total in one column. The most significant fund for the Wheelersburg Local School District is the General Fund.

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2022?" The Statement of Net Position and the Statement of Activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way 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, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

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

In the Statement of Net Position and the Statement of Activities, the School District has only one kind of activity: governmental activities. Governmental activities report all of the School District's educational programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's Net Position for fiscal years 2022 and 2021:

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

Table 1
Net Position

	Governmental Activities		Increase/ (Decrease)
	2022	(Restated) 2021	
<u>Assets:</u>			
Current Assets	\$12,312,468	\$11,520,583	\$791,885
Net OPEB Asset	1,136,345	964,009	172,336
Capital Assets, Net	24,807,637	26,173,316	(1,365,679)
<i>Total Assets</i>	<u>38,256,450</u>	<u>38,657,908</u>	<u>(401,458)</u>
<u>Deferred Outflow of Resources:</u>			
Deferred Charge on Refunding	0	449,515	(449,515)
Pension	3,490,874	2,881,556	609,318
OPEB	348,256	435,521	(87,265)
<i>Total Deferred Outflows of Resources</i>	<u>3,839,130</u>	<u>3,766,592</u>	<u>72,538</u>
<u>Liabilities:</u>			
Current and Other Liabilities	1,784,290	1,576,584	207,706
Long-Term Liabilities:			
Due Within One Year	833,572	746,616	86,956
Due In More Than One Year:			
Net Pension Liability	8,805,261	17,091,271	(8,286,010)
Net OPEB Liability	1,013,063	1,288,727	(275,664)
Other Amounts	6,232,728	7,719,301	(1,486,573)
<i>Total Liabilities</i>	<u>18,668,914</u>	<u>28,422,499</u>	<u>(9,753,585)</u>
<u>Deferred Inflow of Resources:</u>			
Deferred Charge on Refunding	441,805	0	441,805
Property Taxes	4,433,245	4,440,073	(6,828)
Lease	365,264	372,000	(6,736)
Pension	7,730,369	493,924	7,236,445
OPEB	2,018,011	1,801,948	216,063
<i>Total Deferred Inflows of Resources</i>	<u>14,988,694</u>	<u>7,107,945</u>	<u>7,880,749</u>
<u>Net Position:</u>			
Net Investment in Capital Assets	19,198,461	19,847,592	(649,131)
Restricted	3,284,078	3,083,948	200,130
Unrestricted (Deficit)	(14,044,567)	(16,037,484)	1,992,917
<i>Total Net Position</i>	<u>\$8,437,972</u>	<u>\$6,894,056</u>	<u>\$1,543,916</u>

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2022. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute.

A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Overall, a decrease of \$401,458 occurred within Total Assets when compared to the prior fiscal year. The main reason for the decrease is related to a decrease in Capital Assets, which was primarily due to current year deletions and depreciation exceeding current year additions.

Total Liabilities decreased \$9,753,585 for fiscal year 2022, due to a decrease in net pension liability due to the State-wide pension systems' changes in assumptions and benefit terms. Deferred inflows of resources increased mainly due to the difference between projected and actual earnings on pension plan investments.

Total Net Position increased \$1,543,916 from the prior year, mainly due to mainly due to the increase in grants and entitlements not restricted to specific programs due to a change in the State's funding formula as well as changes to the State-wide pension systems' assumptions and benefit terms.

Table 2 shows the changes in Net Position for fiscal years 2022 and 2021.

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

Table 2
Change in Net Position

	Governmental Activities		Increase/ (Decrease)
	2022	(Restated) 2021	
<u>Revenues:</u>			
Program Revenues:			
Charges for Services and Sales	\$873,899	\$2,780,633	(\$1,906,734)
Operating Grants, Contributions and Interest	4,131,286	4,022,356	108,930
<i>Total Program Revenues</i>	<u>5,005,185</u>	<u>6,802,989</u>	<u>(1,797,804)</u>
General Revenues:			
Property Taxes	4,998,769	5,036,903	(38,134)
Grants and Entitlements not Restricted to Specific Programs	8,836,988	7,075,161	1,761,827
Contributions and Donations	7,833	9,683	(1,850)
Investment Earnings	(115,940)	9,506	(125,446)
Miscellaneous	97,546	278,948	(181,402)
<i>Total General Revenues</i>	<u>13,825,196</u>	<u>12,410,201</u>	<u>1,414,995</u>
<i>Total Revenues</i>	<u>18,830,381</u>	<u>19,213,190</u>	<u>(382,809)</u>
<u>Program Expense:</u>			
Instruction:			
Regular	7,561,923	9,630,480	(2,068,557)
Special	2,728,926	2,438,692	290,234
Vocational	12,231	18,346	(6,115)
Student Interventions Services	24,723	28,603	(3,880)
Support Services:			
Pupils	760,022	854,422	(94,400)
Instructional Staff	245,739	191,113	54,626
Board of Education	67,481	63,451	4,030
Administration	1,237,435	1,334,835	(97,400)
Fiscal	430,144	458,507	(28,363)
Business	0	3,100	(3,100)
Operation and Maintenance of Plant	1,326,087	1,409,140	(83,053)
Pupil Transportation	487,275	472,712	14,563
Central	118,483	144,455	(25,972)
Operation of Non-Instructional Services	741,578	639,211	102,367
Extracurricular Activities	854,333	702,314	152,019
Interest and Fiscal Charges	690,085	386,056	304,029
<i>Total Expenses</i>	<u>17,286,465</u>	<u>18,775,437</u>	<u>(1,488,972)</u>
<i>Change in Net Position</i>	<u>1,543,916</u>	<u>437,753</u>	<u>1,106,163</u>
<i>Net Position at Beginning of Year</i>	<u>6,894,056</u>	<u>6,456,303</u>	<u>437,753</u>
<i>Net Position at End of Year</i>	<u>\$8,437,972</u>	<u>\$6,894,056</u>	<u>\$1,543,916</u>

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

Governmental Activities

Program revenues, which are primarily represented by tuition and fees, charges for extracurricular activities, food service sales, and restricted intergovernmental revenues, were \$5,005,185 of total revenues for fiscal year 2022. The decrease is due to the School District receiving a decrease in tuition related to a reduction in open enrollment during the fiscal year.

General revenues represent \$13,825,196 of the School District's total revenues, an increase of \$1,414,995. This is primarily due to grants and entitlements not restricted to specific programs. Grants and entitlements not restricted to specific programs increased due to a change in the State's funding formula.

The major program expense for governmental activities, as expected, is for instruction, which accounts for \$10,327,803 of all governmental expenses. Overall expenses decreased mainly due to the State-wide pension systems' changes in assumptions and benefit terms.

The School District's Funds

Information about the School District's most significant funds starts on page 16. Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$18,848,249 and expenditures of \$18,287,951. The net change in fund balance for the fiscal year in the General Fund was an increase of \$464,581. There was an increase in expenditures of \$785,265, mostly due to the payment to refunded bond escrow agent that occurred in current fiscal year related to the debt refunding.

General Fund - Budget Highlights

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

During fiscal year 2022, the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. A review of the budgetary comparison statement for the General Fund reflects a \$1,906,924 increase between the original budget and final budget revenues. The large increase is mainly due to an increase in intergovernmental revenue later in the fiscal year compared to the beginning of the fiscal year. This is mainly due to an increase in State funding.

The difference in expenditures from the original to the final budget was \$44,041, which was mainly due to the School District adapting to changes that occurred during the fiscal year. The decrease in expenditures from the final budget to actual expenditures was \$40,749, which is mostly related to the School District monitoring expenditures.

Actual General Fund revenues and other financing sources were more than expenditures and other financing uses by \$611,750.

The School District's ending unobligated cash balance was \$105,641 over the final budgeted amount.

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2022, the School District had \$24,807,637 invested in capital assets (net of accumulated depreciation), a decrease of \$1,365,679. For further information regarding the School District's capital assets, refer to Note 9 to the basic financial statements.

Debt

At June 30, 2022, the School District had outstanding general obligation bonds and bond premiums in the amount of \$5,511,171 including a debt refunding that occurred during the fiscal year. The School District also had outstanding financed purchase payable in the amount of \$714,289. The School District's long-term obligations also include lease payable, compensated absences and net pension/OPEB liabilities. For further information regarding the School District's long-term obligations, refer to Note 14 to the basic financial statements.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. George Grice, Treasurer, at Wheelersburg Local School District, P.O. Box 340, Wheelersburg, Ohio 45694, or via e-mail at george.grice@wheelersburg.net.

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Wheelersburg Local School District

Statement of Net Position

June 30, 2022

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$6,378,640
Cash and Cash Equivalents with Fiscal Agent	72,199
Materials and Supplies Inventory	19,206
Accrued Interest Receivable	6,403
Intergovernmental Receivable	237,841
Prepaid Items	117,486
Property Taxes Receivable	5,115,429
Lease Receivable	365,264
Net OPEB Asset	1,136,345
Capital Assets:	
Land and Construction in Progress	959,650
Depreciable Capital Assets, Net	23,847,987
<i>Total Assets</i>	<u>38,256,450</u>
<u>Deferred Outflow Of Resources:</u>	
Pension	3,490,874
OPEB	348,256
<i>Total Deferred Outflow Of Resources</i>	<u>3,839,130</u>
<u>Liabilities:</u>	
Accounts Payable	25,623
Accrued Wages and Benefits Payable	1,428,725
Contracts Payable	28,082
Intergovernmental Payable	291,854
Accrued Interest Payable	9,815
Unearned Revenue	191
Long-Term Liabilities:	
Due Within One Year	833,572
Due In More Than One Year:	
Net Pension Liability	8,805,261
Net OPEB Liability	1,013,063
Other Amounts	6,232,728
<i>Total Liabilities</i>	<u>18,668,914</u>
<u>Deferred Inflow Of Resources:</u>	
Deferred Charge on Refunding	441,805
Property Taxes	4,433,245
Lease	365,264
Pension	7,730,369
OPEB	2,018,011
<i>Total Deferred Inflow Of Resources</i>	<u>\$14,988,694</u>
	<i>(continued)</i>

Wheelersburg Local School District

Statement of Net Position

June 30, 2022

(continued)

<u>Net Position:</u>	
Net Investment in Capital Assets	\$19,198,461
Restricted for:	
Bond Retirement	666,670
Capital Improvements	531,611
Scholarships	228,388
Food Service Operations	536,384
Classroom Facilities Maintenance	407,334
District Managed Activities	195,810
Student Managed Activities	100,445
Local Grants	267,591
State and Federal Grants	131,047
Foundation	73,077
Endowment:	
Expendable	2,687
Nonexpendable	143,034
Unrestricted (Deficit)	<u>(14,044,567)</u>
<i>Total Net Position</i>	<u><u>\$8,437,972</u></u>

See accompanying notes to the basic financial statements

Wheelersburg Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2022

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$7,561,923	\$345,063	\$921,430	(\$6,295,430)
Special	2,728,926	0	1,655,584	(1,073,342)
Vocational	12,231	0	0	(12,231)
Student Intervention Services	24,723	0	0	(24,723)
Support Services:				
Pupils	760,022	0	337,496	(422,526)
Instructional Staff	245,739	0	91,396	(154,343)
Board of Education	67,481	0	0	(67,481)
Administration	1,237,435	0	77,567	(1,159,868)
Fiscal	430,144	0	0	(430,144)
Operation and Maintenance of Plant	1,326,087	0	111,925	(1,214,162)
Pupil Transportation	487,275	0	29,250	(458,025)
Central	118,483	0	0	(118,483)
Operation of Non-Instructional Services	741,578	168,303	771,540	198,265
Extracurricular Activities	854,333	360,533	135,098	(358,702)
Interest and Fiscal Charges	690,085	0	0	(690,085)
<i>Total Governmental Activities</i>	<u>\$17,286,465</u>	<u>\$873,899</u>	<u>\$4,131,286</u>	<u>(12,281,280)</u>

General Revenues:

Property Taxes Levied for:

General Purposes	3,859,976
Debt Service	615,289
Capital Outlay	452,411
Facility Maintenance	71,093
Grants and Entitlements not Restricted to Specific Programs	8,836,988
Contributions and Donations	7,833
Investment Earnings	(115,940)
Miscellaneous	97,546

Total General Revenues **13,825,196**

Change in Net Position **1,543,916**

***Net Position at Beginning of
Year - Restated (See Note 3)*** **6,894,056**

Net Position at End of Year **\$8,437,972**

See accompanying notes to the basic financial statements

Wheelersburg Local School District
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$3,301,846	\$3,076,794	\$6,378,640
Cash and Cash Equivalents With Fiscal Agent	0	72,199	72,199
Receivables:			
Property Taxes	3,949,638	1,165,791	5,115,429
Intergovernmental	16,371	221,470	237,841
Lease	0	365,264	365,264
Accrued Interest	6,403	0	6,403
Interfund	0	4,888	4,888
Prepaid Items	95,657	21,829	117,486
Materials and Supplies Inventory	19,206	0	19,206
<i>Total Assets</i>	<u>7,389,121</u>	<u>4,928,235</u>	<u>12,317,356</u>
<u>Liabilities:</u>			
Accounts Payable	5,312	20,311	25,623
Accrued Wages and Benefits Payable	1,236,629	192,096	1,428,725
Contracts Payable	0	28,082	28,082
Intergovernmental Payable	245,819	46,035	291,854
Interfund Payable	0	4,888	4,888
Unearned Revenue	0	191	191
<i>Total Liabilities</i>	<u>1,487,760</u>	<u>291,603</u>	<u>1,779,363</u>
<u>Deferred Inflows of Resources:</u>			
Property Taxes	3,427,688	1,005,557	4,433,245
Leases	0	365,264	365,264
Unavailable Revenue	366,522	155,650	522,172
<i>Total Deferred Inflows of Resources</i>	<u>3,794,210</u>	<u>1,526,471</u>	<u>5,320,681</u>
<u>Fund Balances:</u>			
Nonspendable	114,863	164,863	279,726
Restricted	0	2,985,909	2,985,909
Committed	147,465	0	147,465
Assigned	592,282	0	592,282
Unassigned (Deficit)	1,252,541	(40,611)	1,211,930
<i>Total Fund Balances</i>	<u>2,107,151</u>	<u>3,110,161</u>	<u>5,217,312</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,389,121</u>	<u>\$4,928,235</u>	<u>\$12,317,356</u>

See accompanying notes to the basic financial statements

Wheelersburg Local School District
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2022

Total Governmental Fund Balances		\$5,217,312
 <i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		24,807,637
Some of the School District's revenues will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as unavailable revenue in the funds.		
Delinquent property taxes	472,328	
Intergovernmental	45,491	
Accrued Interest	4,353	
Total		522,172
The net pension/OPEB liabilities (asset) are not due and payable in the current period; therefore, the liabilities (asset) and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	1,136,345	
Deferred Outflows - Pension	3,490,874	
Deferred Outflows - OPEB	348,256	
Net Pension Liability	(8,805,261)	
Net OPEB Liability	(1,013,063)	
Deferred Inflows - Pension	(7,730,369)	
Deferred Inflows - OPEB	(2,018,011)	
Total		(14,591,229)
Deferred outflows/inflows of resources include deferred charges on refunding which do not provide current financial resources and, therefore are not reported in the funds.		(441,805)
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(9,815)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds payable	(4,425,000)	
Accretion on capital appreciation bonds	(1,086,171)	
Financed Purchased Payable	(714,289)	
Compensated absences	(840,840)	
Total		(7,066,300)
Net Position of Governmental Activities		\$8,437,972

See accompanying notes to the basic financial statements

Wheelersburg Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues:</u>			
Property Taxes	\$3,898,683	\$1,151,119	\$5,049,802
Intergovernmental	9,598,329	3,173,891	12,772,220
Investment Earnings	(126,192)	12,631	(113,561)
Leases	0	6,736	6,736
Tuition and Fees	296,246	0	296,246
Extracurricular Activities	13,194	347,339	360,533
Customer Sales and Service	48,817	161,567	210,384
Contributions and Donations	4,500	163,843	168,343
Miscellaneous	91,068	6,478	97,546
Total Revenues	13,824,645	5,023,604	18,848,249
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	6,913,957	872,914	7,786,871
Special	1,884,288	837,200	2,721,488
Vocational	12,231	0	12,231
Student Intervention Services	15,464	9,259	24,723
Support Services:			
Pupils	433,275	331,940	765,215
Instructional Staff	218,891	77,363	296,254
Board of Education	65,868	0	65,868
Administration	1,227,223	87,727	1,314,950
Fiscal	383,133	71,416	454,549
Operation and Maintenance of Plant	1,188,573	222,554	1,411,127
Pupil Transportation	495,803	12,117	507,920
Central	138,417	2,717	141,134
Operation of Non-Instructional Services	131,803	623,889	755,692
Extracurricular Activities	249,470	430,119	679,589
Capital Outlay	1,668	78,520	80,188
Debt Service:			
Principal Retirement	0	644,877	644,877
Interest and Fiscal Charges	0	124,759	124,759
Payment to Refunded Bond Escrow Agent	0	500,516	500,516
Total Expenditures	13,360,064	4,927,887	18,287,951
Excess of Revenues Over Expenditures	464,581	95,717	560,298
<u>Other Financing Sources (Uses):</u>			
Payment to Refunded Bond Escrow Agent	0	(4,283,750)	(4,283,750)
Refunding Bonds Issued	0	4,335,000	4,335,000
Transfers In	0	100,659	100,659
Transfers Out	0	(100,659)	(100,659)
Total Other Financing Sources (Uses)	0	51,250	51,250
Net Change in Fund Balances	464,581	146,967	611,548
Fund Balances at Beginning of Year	1,642,570	2,963,194	4,605,764
Fund Balances at End of Year	\$2,107,151	\$3,110,161	\$5,217,312

See accompanying notes to the basic financial statements

Wheelersburg Local School District
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		\$611,548
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital asset additions	305,382	
Construction in progress additions	28,082	
Depreciation expense	<u>(1,689,457)</u>	
Excess of depreciation expense over capital outlay		(1,355,993)
The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of capital assets is removed from the capital assets account in the Statement of Net Position and offset against the proceeds from the sale of capital assets resulting in a gain or loss on the sale of capital assets in the Statement of Activities.		
Loss on disposal of capital assets		(9,686)
Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are therefore recorded as deferred inflows of resources in the governmental funds. Deferred inflows of resources changed by these amounts this fiscal year:		
Delinquent property taxes	(51,033)	
Intergovernmental	33,344	
Investment earnings	<u>(179)</u>	
Total		(17,868)
Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.		
Pension	1,317,561	
OPEB	<u>38,411</u>	
Total		1,355,972
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liabilities (asset) are reported as pension expense in the Statement of Activities.		
Pension	341,322	
OPEB	<u>106,261</u>	
Total		447,583
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current fiscal year, these amounts consist of:		
Bond payments	450,000	
Financed Purchase payments	178,571	
Lease payments	16,306	
Payment to Refunding Escrow Agent	<u>4,784,266</u>	
Total		5,429,143
The issuance of long-term debt provides current financial resources to governmental funds, but in the Statement of Net Position, the debt is reported as a liability.		
Proceeds of bonds		(\$4,335,000)
Accretion and amortization of bond premiums, the deferred charges on refunding, as well as accrued interest payable on the bonds are not reported in the funds, but are allocated as an expense over the life of the debt in the Statement of Activities.		
Decrease in accrued interest	\$4,063	
Amortization of bond premium	88,674	
Amortization of deferred charges on refunding	(438,187)	
Accretion of Capital Appreciation Bonds	<u>(219,876)</u>	
Total		(565,326)
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. These activities consist of:		
Increase in compensated absences payable		<u>(16,457)</u>
Change in Net Position of Governmental Activities		<u><u>\$1,543,916</u></u>

See accompanying notes to the basic financial statements

Wheelersburg Local School District
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		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$3,984,000	\$3,888,870	\$3,888,870	\$0
Intergovernmental	7,698,806	9,625,859	9,625,859	0
Investment Earnings	23,364	27,575	29,212	1,637
Tuition and Fees	236,939	298,512	296,246	(2,266)
Extracurricular Activities	10,553	13,194	13,194	0
Contributions and Donations	3,599	4,500	4,500	0
Miscellaneous	16,766	22,441	20,962	(1,479)
<i>Total Revenues</i>	11,974,027	13,880,951	13,878,843	(2,108)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	6,983,155	6,967,777	6,933,769	34,008
Special	1,823,576	1,832,441	1,832,441	0
Vocational	12,383	18,346	12,231	6,115
Student Intervention Services	13,588	13,421	13,421	0
Support Services:				
Pupils	431,867	429,113	429,113	0
Instructional Staff	208,776	210,064	210,064	0
Board of Education	64,100	68,703	68,703	0
Administration	1,232,139	1,220,431	1,220,431	0
Fiscal	388,476	396,910	396,910	0
Operation and Maintenance of Plant	1,225,244	1,263,470	1,263,470	0
Pupil Transportation	504,574	516,304	516,304	0
Central	140,168	138,444	138,444	0
Operation of Non-Instructional Services	126,225	125,298	124,672	626
Extracurricular Activities	255,218	252,829	252,829	0
Capital Outlay	1,689	1,668	1,668	0
<i>Total Expenditures</i>	13,411,178	13,455,219	13,414,470	40,749
Excess of Revenues Over (Under) Expenditures	(1,437,151)	425,732	464,373	38,641
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	118,923	118,923	118,923	0
Transfers In	352,000	352,000	352,000	0
Transfers Out	(352,000)	(414,000)	(352,000)	62,000
Advances In	28,455	28,454	28,454	0
Advances Out	0	(5,000)	0	5,000
<i>Total Other Financing Sources (Uses)</i>	147,378	80,377	147,377	67,000
<i>Net Change in Fund Balance</i>	(1,289,773)	506,109	611,750	105,641
<i>Fund Balance at Beginning of Year</i>	2,549,858	2,549,858	2,549,858	0
<i>Prior Year Encumbrances Appropriated</i>	102,891	102,891	102,891	0
<i>Fund Balance at End of Year</i>	\$1,362,976	\$3,158,858	\$3,264,499	\$105,641

See accompanying notes to the basic financial statements

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Wheelersburg Local School District (the “School District”) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and federal guidelines.

The School District was established in 1859 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 17 square miles. It is located in Scioto County, and includes most of Porter Township. It is staffed by 51 non-certificated employees, 98 certificated full-time teaching personnel and ten administrative employees who provide services to 1,534 students and other community members. The School District currently operates one instructional building, one administrative building, and one garage.

Reporting Entity

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

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

The School District participates in five organizations, two of which was defined as a jointly governed organization, two as insurance purchasing pools, and one as a public entity shared risk pool. These organizations are presented in Note 16 to the basic financial statements. These organizations are:

Jointly Governed Organization:

Metropolitan Educational Technology Association (META)
Coalition of Rural and Appalachian Schools

Insurance Purchasing Pools:

Ohio School Plan
Ohio SchoolComp Group Retrospective Rating Program

Public Entity Shared Risk Pool:

Optimal Health Initiatives Consortium

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

The School 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 Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements normally distinguish between those activities of the School District that are governmental and those that are considered business-type activities. However, the School District has no business-type activities.

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

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. All of the School District's funds are governmental funds.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Governmental Funds

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

General Fund - The General Fund is the operating fund of the School District and is used to account for and report all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

The nonmajor governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total Net Position.

Fund Financial Statements

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means that the amount of the transaction can be determined, and "available" means that the

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

resources are collectible within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

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

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

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, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide Statement of Net Position for pension and OPEB plans. These amounts are deferred and recognized as an outflow of resources in the period the amounts become available. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources included deferred charges on refunding, property taxes, pension and OPEB plans, leases, 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. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. The deferred inflow for leases is related to the leases receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. Unavailable revenue is reported only on the governmental fund balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, interest, and intergovernmental grants. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 17. 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).

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Expenses/Expenditures

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

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

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources, 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 amounts that the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board of Education. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

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

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

Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled for investment with the exception of lease proceeds related to the new facilities construction project. Monies for all other funds are maintained in the pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents". The School District also had amounts in "Cash and Cash Equivalents with Fiscal Agents" to hold the money for the Wheelersburg Foundation.

During fiscal year 2022, the School District's investments were limited to STAR Ohio, Money Market Mutual Fund, Negotiable Certificates of Deposit and federal agency securities. Investments, other than STAR Ohio, are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, the fair value is determined by the fund's current share price.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Pools and Pool Participants.” The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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, 24 hours advance notice for deposits and withdrawals of \$100 million or more is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million per C-1day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2022 amounted to (\$126,192), which includes (\$68,066) assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivable/Payable”. Interfund balances are eliminated in the Statement of Net Position.

Prepaid Items

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

Inventory

Materials and supplies inventory is reported at cost, while inventory held for resale is presented at the lower of cost or market value, and donated commodities are presented at their entitlement value. Inventories are presented on a first-in, first-out basis and are expended/expensed when used. Inventories consist of materials and supplies held for consumption and donated and purchased food held for resale.

Capital Assets

The School District’s only capital assets are general capital assets. General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets (except for intangible right-to-use lease assets which are discussed below) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of assets by back-trending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their acquisition values as of the date received. The capitalization

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threshold is \$1,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	10 - 40 years
Buildings and Improvements	15 - 30 years
Furniture, Fixtures and Equipment	5 - 20 years
Vehicles	5 - 12 years
Textbooks	10 years

The School District is reporting intangible right to use assets related to leased equipment. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, 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.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

Accrued Liabilities and Long-Term Obligations

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

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Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (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.

Bond Premiums and Compounded Interest on Capital Appreciation Bonds

For governmental activities, bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Capital appreciation bonds are accreted each fiscal year for the compounded interest accrued during the fiscal year. Bond premiums and the compounded interest on the capital appreciation bonds are presented as an addition to the face amount of the bonds payable.

On the governmental fund financial statements, bond premiums are recognized in the period in which the bonds were issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent. Accretion on the capital appreciation bonds is not reported. Interest on the capital appreciation bonds is recorded as an expenditure when the debt becomes due.

Fund Balance

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

Nonspendable

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

Restricted

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

Committed

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

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Assigned

Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the Board of Education. In the general fund, assigned amounts represent intended uses established by the Board of Education or a School District official delegated that authority by resolution or by State Statute. State Statute authorizes the Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Treasurer assigned fund balance to cover a gap between estimated revenue and appropriations in the 2023 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 fund balance.

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

Net Position

Net Position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net Position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net Position restricted for other purposes include resources restricted for food service operations, music and athletic programs, donations received for athletic stadium renovations, property tax revenues received for the maintenance of facilities, and federal and State grants restricted to expenditures for specified purposes.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

Internal Activity

Transfers between governmental activities are eliminated on the government-wide financial 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 and are eliminated from the Statement of Activities. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Wheelersburg Local School District
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Estimates

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

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The School District recognizes unearned revenue for intergovernmental revenue received before the eligibility requirements are met.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITIONS

Change in Accounting Principles

For fiscal year 2022, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases and related guidance from (GASB) Implementation Guide No. 2019-3, *Leases*.

GASB Statement 87 enhances the relevance and consistency of information of the government’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the School District’s 2022 financial statements. The School District recognized \$372,000 in leases receivable at July 1, 2021; however, this entire amount was offset by the deferred inflows related to leases.

The School District is implementing *Implementation Guide No. 2020-1*, GASB Statement No. 92 – *Omnibus 2020*, and GASB Statement No. 97 -- *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. These changes were incorporated in the School District’s 2022 financial statements; however, there was no effect on beginning net position/fund balance.

For fiscal year 2022, the School District modified its approach related to the eligibility requirements of certain School District grants.

Restatement of Net Position

The implementation of GASB Statement No. 87 and the modified approach on certain grants had the following effect on net position as of June 30, 2021:

	Governmental Activities
Net Position, June 30, 2021	<u>\$7,103,425</u>
Adjustments:	
GASB 87	(21,528)
Modified approach to grants	<u>(187,841)</u>
Restated Net Position, June 30, 2021	<u><u>\$6,894,056</u></u>

Wheelersburg Local School District
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NOTE 4 – ACCOUNTABILITY

The following funds had a deficit fund balance as of June 30, 2022:

Title I Fund	\$28,074
Title VI-B Fund	<u>12,197</u>
Total	<u><u>\$40,271</u></u>

The deficits in all fund balances were due to accruals in GAAP. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING

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

The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed, or assigned fund balance (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Investments are recorded at fair value (GAAP basis) rather than cost (budget basis).

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

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Net Change in Fund Balance	
GAAP Basis	\$464,581
Adjustments:	
Revenue Accruals	17,562
Expenditure Accruals	113,855
Encumbrances	(168,261)
Advances	28,454
Change in Fair Value of	
Investments - Fiscal Year 2021	24,645
Change in Fair Value of	
Investments - Fiscal Year 2022	130,914
Budget Basis	\$611,750

NOTE 6 – DEPOSITS AND INVESTMENTS

Monies held by the School District are classified by State statute into three categories.

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

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

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

Protection of the School 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 held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds notes, 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, 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;

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3. Written repurchase agreements in the securities listed above provided 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 the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirement 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 (1) or (2) 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 bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) 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. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At June 30, 2022, the School District's Education Foundation Special Revenue Fund had a balance of \$72,199 with the Foundation for Appalachian Ohio (FAO), a 501 (c) (3) non-profit corporation. The balance is held by the FAO in a pooled account which is representative of numerous gifts and contributions to be used to enhance, supplement and enrich existing programs and to provide new programs and opportunities to the various schools of the School District and to their individual departments, teachers, student and student groups and scholarships. This amount is reported as Cash and Cash Equivalents with Fiscal Agent.

Investments

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

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Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Net Asset Value Per Share:				
STAROhio	\$2,275,915	Less than one year	AAAm	N/A
Fair Value - Level One Inputs:				
Money Market Mutual Fund	13,981	Less than one year	N/A	N/A
Fair Value - Level Two Inputs:				
Negotiable Certificates of Deposit	1,723,833	Less than four years	N/A	32.73%
Federal Home Loan Bank Bonds	1,253,253	Less than two years	AA+	23.79%
Total Fair Value - Level Two Inputs	<u>2,977,086</u>			
Total Investments	<u>\$5,266,982</u>			

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2022. The money market mutual fund is measured at fair value using quoted market prices (Level 1 inputs). The School District's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Interest Rate Risk

As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the School District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. To date, no investments have been purchased with a life greater than five years.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Standard and Poor's ratings for the School District's investments are listed in the table above. STAROhio is permitted by Ohio Revised Code Section 135.45. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual funds be rated in the highest category at the time of purchase by at least one nationally recognized rating service. The School District has no policy on credit risk beyond the requirements in State statutes.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School District's investment policy does not address this risk beyond the requirements in State Statutes.

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NOTE 7 – PROPERTY TAXES

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

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

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

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

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

The amount available as an advance at June 30, 2022, was \$209,857 and is recognized as revenue: \$159,781 in the General Fund, \$27,109 in the Bond Retirement Debt Service Fund, and \$22,967 in the Other Governmental Funds. The amount available as an advance at June 30, 2021, was \$195,708 and is recognized as revenue: \$149,968 in the General Fund, \$24,798 in the Bond Retirement Debt Service Fund, and \$20,942 in the Other Governmental Funds

On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred inflows of resources – unavailable revenue.

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

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	2021 Second- Half Collections		2022 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$165,425,110	83.70%	\$164,822,990	83.46%
Public Utility Personal	32,206,600	16.30%	32,657,420	16.54%
<i>Total Assessed Value</i>	<i>\$197,631,710</i>	<i>100.00%</i>	<i>\$197,480,410</i>	<i>100.00%</i>
Tax rate per \$1,000 of assessed valuation	\$33.81		\$33.81	

NOTE 8 – RECEIVABLES

Receivables at June 30, 2022, consisted of property taxes, intergovernmental grants, leases, accrued interest, and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables, except for delinquent property taxes and leases, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities:</u>	<u>Amounts</u>
Title I	\$66,187
IDEA Special Education	35,568
Elementary and Secondary School Emergency Relief	119,715
School Employees Retirement System of Ohio	16,371
<i>Total Intergovernmental Receivables</i>	<i>\$237,841</i>

Leases Receivable

The School District is reporting leases receivable of \$365,264 in the governmental funds at June 30, 2022. This amount represents the discounted future lease payments. This discount is being amortized using the interest method. For 2022, the School District reported lease revenue of \$6,736 and interest revenue of \$7,904 in the governmental funds related to lease payments received. A description of the School District's leasing arrangements is as follows:

Cell Tower Ground Lease – The School District has entered into a lease agreement to allow PI Tower Development LLC to place a cell tower on a parcel of real property owned by the School District with varying years and terms as follows:

<u>Company</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease Ending Date</u>	<u>Payment Method</u>
PI Tower Development LLC	2017	30	2047	Monthly

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

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Year	Principal	Interest
2023	\$8,096	\$7,744
2024	8,271	7,569
2025	8,450	7,390
2026	8,632	7,208
2027	9,083	7,021
2028-2032	55,714	31,697
2033-2037	71,221	21,930
2038-2042	89,402	16,364
2043-2047	106,395	5,697
	<u>\$365,264</u>	<u>\$112,620</u>

NOTE 9 – CAPITAL ASSETS

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

	(Restated) Balance At 6/30/2021	Additions	Deletions	Balance At 6/30/2022
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$931,568	\$0	\$0	\$931,568
Construction in Progress	0	28,082	0	28,082
<i>Total Capital Assets Not Being Depreciated</i>	<u>931,568</u>	<u>28,082</u>	<u>0</u>	<u>959,650</u>
Depreciable Capital Assets:				
Land Improvements	1,648,443	0	0	1,648,443
Buildings and Improvements	39,700,157	0	0	39,700,157
Furniture, Fixtures and Equipment	3,116,898	275,517	(89,836)	3,302,579
Intangible Right to Use - Equipment**	57,406	0	0	57,406
Vehicles	1,266,242	29,865	(60,825)	1,235,282
Textbooks	455,353	0	0	455,353
<i>Total Depreciable Capital Assets</i>	<u>\$46,244,499</u>	<u>\$305,382</u>	<u>(\$150,661)</u>	<u>\$46,399,220</u>

(continued)

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	(Restated) Balance At 6/30/2021	Additions	Deletions	Balance At 6/30/2022
Less Accumulated Depreciation:				
Land Improvements	(\$814,076)	(\$88,362)	\$0	(\$902,438)
Buldings and Improvements	(16,841,633)	(1,323,029)	0	(18,164,662)
Furniture, Fixtures and Equipment	(2,058,776)	(205,660)	80,150	(2,184,286)
Intangible Right to Use - Equipment**	(43,056)	(14,350)	0	(57,406)
Vehicles	(835,393)	(58,056)	60,825	(832,624)
Textbooks	(409,817)	0	0	(409,817)
<i>Total Accumulated Depreciation</i>	<u>(21,002,751)</u>	<u>(1,689,457) *</u>	<u>140,975</u>	<u>(22,551,233)</u>
 <i>Total Capital Assets Being Depreciated, Net</i>	 <u>25,241,748</u>	 <u>(1,384,075)</u>	 <u>(9,686)</u>	 <u>23,847,987</u>
 <i>Governmental Activities Capital Assets, Net</i>	 <u>\$26,173,316</u>	 <u>(\$1,355,993)</u>	 <u>(\$9,686)</u>	 <u>\$24,807,637</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$878,768
Special	185,388
Support Services:	
Pupils	53,821
Instructional Staff	17,656
Board of Education	1,613
Administration	97,336
Fiscal	35,477
Operation and Maintenance of Plant	136,212
Pupil Transportation	62,893
Central	174
Operation of Non-Instructional Services	45,375
Extracurricular Activities	174,744
<i>Total Depreciation Expense</i>	<u><u>\$1,689,457</u></u>

** Of the current year depreciation total of \$1,689,457, \$14,350 as regular expenses are presented on the Statement of Activities related to the School District's intangible asset of equipment, which are included as an Intangible Right to Use Lease.

The School District's total Capital Assets being depreciated amount above included \$3,816,924 in fully depreciated Capital Assets.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 10 – RISK MANAGEMENT

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District has joined with other school districts in Ohio to participate in the Ohio School Plan (OSP), an insurance purchasing pool (See Note 16). Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to Hylant Administrative Services, LLC. During fiscal year 2022, the School District contracted with the Ohio School Plan for liability, fleet, and property insurance coverage.

Settled claims have not exceeded this commercial coverage in any of the past four fiscal years. Insurance coverage has stayed consistent from the previous fiscal year.

Employee Medical and Dental Benefits

The School District participates in the Optimal Health Initiatives Consortium (the “Consortium”), a public entity shared risk pool (Note 16), consisting of school districts whose self-insurance programs for health care benefits were administered previously under the Scioto County Schools Council of Governments, the Northern Buckeye Education Council, Ohio Healthcare Plan, and the Butler Health Plan. Monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District’s behalf.

Workers’ Compensation

For fiscal year 2022, the School District participated in the Ohio School Boards’ Association Workers’ Compensation Group Retro-Rating Program (GRP), an insurance purchasing pool (Note 16). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers’ compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers’ compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP’s selection criteria. The firm of Comp Management Health Systems Incorporated, provides administrative, cost control and actuarial services to the GRP.

NOTE 11 – DEFINED BENEFIT PENSION PLANS

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

Wheelersburg Local School District
Notes to the Basic Financial Statements
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Net Pension Liability/Net OPEB Liability

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

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

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

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

The proportionate share of each plan’s unfunded benefits is presented as a net OPEB asset or long-term net pension/OPEB liability on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB 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 – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2 percent for the first thirty 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 CPI-W, 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 the years 2018, 2019, and 2020. The Retirement Board 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 School 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. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$291,429 for fiscal year 2022, none of which is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee 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.

Wheelersburg Local School District
Notes to the Basic Financial Statements
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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. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of-living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be 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. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 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 on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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

The School District's contractually required contribution to STRS was \$1,026,132 for fiscal year 2022. Of this amount, \$184,764 is reported as an intergovernmental payable.

Wheelersburg Local School District
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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability			
Current Measurement Date	0.05188000%	0.053895625%	
Prior Measurement Date	<u>0.05774280%</u>	<u>0.054851200%</u>	
Change in Proportionate Share	<u>-0.00586280%</u>	<u>-0.000955575%</u>	
Proportionate Share of the Net			
Pension Liability	\$1,914,221	\$6,891,040	\$8,805,261
Pension Expense	(\$182,790)	(\$158,532)	(\$341,322)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$184	\$212,900	\$213,084
Changes of assumptions	40,308	1,911,698	1,952,006
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	2,220	6,003	8,223
School District contributions subsequent to the measurement date	<u>291,429</u>	<u>1,026,132</u>	<u>1,317,561</u>
Total Deferred Outflows of Resources	<u>\$334,141</u>	<u>\$3,156,733</u>	<u>\$3,490,874</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$49,644	\$43,193	\$92,837
Net difference between projected and actual earnings on pension plan investments	985,880	5,938,758	6,924,638
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>222,676</u>	<u>490,218</u>	<u>712,894</u>
Total Deferred Inflows of Resources	<u>\$1,258,200</u>	<u>\$6,472,169</u>	<u>\$7,730,369</u>

Wheelersburg Local School District
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\$1,317,561 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of 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:

Fiscal Year Ending June 30:	SERS	STRS	Total
2023	(\$380,573)	(\$1,119,379)	(\$1,499,952)
2024	(297,902)	(961,650)	(1,259,552)
2025	(234,406)	(1,035,298)	(1,269,704)
2026	(302,607)	(1,225,241)	(1,527,848)
Total	<u>(\$1,215,488)</u>	<u>(\$4,341,568)</u>	<u>(\$5,557,056)</u>

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2021, compared with June 30, 2020, are presented below:

	June 30, 2021	June 30, 2020
Inflation	2.4 percent	3.00 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 percent to 13.58 percent 2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	3.50 percent to 18.20 percent 2.5 percent
Investment Rate of Return	7.00 percent net of System expenses	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

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Mortality rates for 2021 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 2 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 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Mortality rates for 2020 were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the 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.

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

The long-term return expectation for the Pension Plan Investments has been determined 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.

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

Discount Rate

The total pension liability for 2021 was calculated using the discount rate of 7.00 percent. The discount rate for 2020 was 7.5 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 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 pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$3,184,795	\$1,914,221	\$842,692

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2021, actuarial valuation compared to those used in the June 30, 2020, actuarial valuation are presented below:

	June 30, 2021	June 30, 2020
Inflation	2.50 percent	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	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	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent	7.45 percent
Payroll Increases	3.00 percent	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent	0.0 percent,

Post-retirement 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. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

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

STRS' 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:

Wheelersburg Local School District
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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return *</u>
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	<u>100.00%</u>	

* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, and is net of 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, and was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2021.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$12,904,339	\$6,891,040	\$1,809,815

Changes Between the Measurement Date and the Reporting Date

In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. These demographic measures include retirement, salary increase, disability/termination and mortality assumptions. In March 2022, the STRS Board approved benefit plan changes to take effect on July 1, 2022. These changes include a one-time three percent cost-of-living increase (COLA) to be paid to eligible benefit recipients and the elimination of the age 60 requirement for

Wheelersburg Local School District
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retirement age and service eligibility that was set to take effect in 2026. The effect on the net pension liability is unknown.

NOTE 12 – DEFINED BENEFIT OPEB PLANS

See Note 11 for a description of the net OPEB liability.

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The School 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. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. 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 fiscal year 2022, no allocation was made 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 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 School District's surcharge obligation was \$38,411.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$38,411 for fiscal year 2022, all of which is reported as an intergovernmental payable.

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Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. The 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. All benefit recipients 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 of Resources and Deferred Inflows of Resources Related to OPEB

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Current Measurement Date	0.05352810%	0.053895625%	
Prior Measurement Date	<u>0.05929740%</u>	<u>0.054851200%</u>	
Change in Proportionate Share	<u>-0.00576930%</u>	<u>-0.000955575%</u>	
Proportionate Share of the			
Net OPEB (Asset)	\$0	(\$1,136,345)	(\$1,136,345)
Net OPEB Liability	\$1,013,063	\$0	\$1,013,063
OPEB Expense	(\$30,223)	(\$76,038)	(\$106,261)

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

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	SERS	STRS	Total
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$10,798	\$40,462	\$51,260
Changes of assumptions	158,925	72,585	231,510
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	17,651	9,424	27,075
School District contributions subsequent to the measurement date	38,411	0	38,411
Total Deferred Outflows of Resources	\$225,785	\$122,471	\$348,256
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$504,551	\$208,198	\$712,749
Changes of assumptions	138,731	677,913	816,644
Net difference between projected and actual earnings on OPEB plan investments	22,009	314,975	336,984
Changes in Proportionate share and Difference between School District contributions and proportionate share of contributions	148,245	3,389	151,634
Total Deferred Inflows of Resources	\$813,536	\$1,204,475	\$2,018,011

\$38,411 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the 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	(\$133,419)	(\$307,051)	(\$440,470)
2024	(133,573)	(299,169)	(432,742)
2025	(135,467)	(298,772)	(434,239)
2026	(120,516)	(132,626)	(253,142)
2027	(74,491)	(45,341)	(119,832)
Thereafter	(28,696)	955	(27,741)
Total	(\$626,162)	(\$1,082,004)	(\$1,708,166)

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.

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Notes to the Basic Financial Statements
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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, compared with June 30, 2020, are presented below:

	June 30, 2021	June 30, 2020
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate:		
Measurement Date	1.92 percent	2.45 percent
Prior Measurement Date	2.45 percent	3.13 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation		
Measurement Date	2.27 percent	2.63 percent
Prior Measurement Date	2.63 percent	3.22 percent
Medical Trend Assumption		
Medicare	5.125 to 4.40 percent	5.25 to 4.75 percent
Pre-Medicare	6.75 to 4.40 percent	7.00 to 4.75 percent

For 2021, mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted 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 2 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 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

For 2020, mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

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

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

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

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
School District's proportionate share of the net OPEB liability	\$1,255,308	\$1,013,063	\$819,541

Wheelersburg Local School District
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	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$779,976	\$1,013,063	\$1,324,397

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2021, actuarial valuation and the June 30, 2020, actuarial valuation are presented below:

	June 30, 2021	June 30, 2020
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	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	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.45 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	5.00 percent initial, 4 percent ultimate	5.00 percent initial, 4 percent ultimate
Medicare	-16.18 percent initial, 4 percent ultimate	-6.69 percent initial, 4 percent ultimate
Prescription Drug		
Pre-Medicare	6.50 percent initial, 4 percent ultimate	6.50 percent initial, 4 percent ultimate
Medicare	29.98 initial, 4 percent ultimate	11.87 initial, 4 percent ultimate

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.

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

The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent per year of service. 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 CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2021, and was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB liability as of June 30, 2021.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount 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 if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	(\$958,900)	(\$1,136,345)	(\$1,284,574)
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$1,278,568)	(\$1,136,345)	(\$960,473)

Changes Between the Measurement Date and the Reporting Date

In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. The effect on the net OPEB liability is unknown.

NOTE 13 – EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Eligible classified employees and administrators earn 10 to 30 days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

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Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 225 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 50 days.

Special Termination Benefit Payable

Since 2006, employees eligible to retire were offered a special termination benefit. A bargaining unit employee who becomes eligible under the Ohio Revised Code Section 3307.38 and elects to take service retirement through STRS and provides the School District with notice by the regular February Board of Education meeting is entitled to receive a one-time lump-sum payment, less payroll withholdings. For the fiscal year ended June 30, 2022, no employees who retired and were eligible for the bonus.

Insurance

The School District provides life insurance to most employees through the Metropolitan Educational Technology Association, health and dental insurance through the Optimal Health Initiatives Consortium, and vision benefits through Vision Service Plan.

Deferred Compensation

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

NOTE 14 – LONG-TERM OBLIGATIONS

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

	Amount Outstanding 6/30/2021	Additions	Deductions	Amount Outstanding 6/30/2022	Amount Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds:					
2013 Refunding Bonds:					
Term Bonds 3.00 to 3.375%	\$4,710,000	\$0	\$4,710,000	\$0	\$0
Serial Bonds 2.00 to 4.00%	450,000	0	450,000	0	0
Premium on Debt Issue	616,073	0	616,073	0	0
CAB Bonds 3.19 to 3.44%	90,000	0	0	90,000	30,000
Accretion on CABs	866,295	219,876	0	1,086,171	445,000
2022 Refunding Bonds:					
Term Bonds 2.09%	0	4,335,000	0	4,335,000	85,000
Total General Obligation Bonds	<u>\$6,732,368</u>	<u>\$4,554,876</u>	<u>\$5,776,073</u>	<u>\$5,511,171</u>	<u>\$560,000</u>

(continued)

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

	Amount Outstanding 6/30/2021	Additions	Deductions	Amount Outstanding 6/30/2022	Amount Due Within One Year
Net Pension Liability:					
SERS	\$3,819,231	\$0	\$1,905,010	\$1,914,221	\$0
STRS	13,272,040	0	6,381,000	6,891,040	0
Total Net Pension Liability	<u>17,091,271</u>	<u>0</u>	<u>8,286,010</u>	<u>8,805,261</u>	<u>0</u>
Net OPEB Liability:					
SERS	1,288,727	0	275,664	1,013,063	0
Financed Purchase Payable	892,860	0	178,571	714,289	178,571
Lease	16,306	0	16,306	0	0
Compensated Absences	824,383	550,886	534,429	840,840	95,001
<i>Total Governmental Activities</i>					
<i>Long-Term Obligations</i>	<u>\$26,845,915</u>	<u>\$5,105,762</u>	<u>\$15,067,053</u>	<u>\$16,884,624</u>	<u>\$833,572</u>

2013 Classroom Facilities Refunding Bonds - On July, 25, 2012, the School District issued \$7,075,000 in general obligation bonds for the purpose of advance refunding a portion of the 2005 Classroom Facilities General Obligation Serial and Term Bonds. The bonds were issued for a 21 year period with final maturity in December 2032. During fiscal year 2022, \$4,710,000 in term bonds were refunded with the 2022 School Improvement Refunding Bonds.

The serial bonds issued at \$2,275,000, with maturity dates of December 1, 2012, to December 1, 2021, are subject to optional redemption, in whole or in part on any date at the option of the issuer on or after June 1, 2022, at the redemption price of 100 percent. The bonds were paid off in fiscal year 2022.

The capital appreciation bonds of the 2013 Classroom Facilities General Obligation Refunding Bonds, issued at \$90,000, are not subject to redemption prior to maturity. The capital appreciation bonds will mature in fiscal years 2023, 2024, and 2025 in the amounts of \$475,000, \$495,000, and \$490,000, respectively. Accretion on the capital appreciation bonds for fiscal year 2022 was \$219,876.

2022 School Improvement Refunding Bonds - On April 4, 2022, the School District issued \$4,335,000 in School Improvement Refunding Bonds, Series 2022 in order to refund the \$4,710,000 2013 Refunding term bonds and to take advantage of lower interest rates. These bonds are paid from the Bond Retirement Fund and will mature on December 1, 2031. At June 30, 2022 all the refunded bonds were paid off.

The School District decreased total debt service payments by \$958,465 as a result of the refunding. The School District also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$777,891, but incurred a deferred inflow – deferred charge on refunding of \$453,133, which is shown in the following table:

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School Improvement Refunding Bonds	2013
Refunded Bonds Outstanding at 6/30/21	\$4,710,000
Premium on Refunded Bonds at 6/30/21	562,346
Total Refunded Bonds Outstanding at 6/30/21	5,272,346
Payment to Refunded Bond Escrow Agent:	
Debt Service	(500,516)
Other Financing Use	(4,283,750)
Amortization of Premium Prior to Refunding	(34,947)
Deferred Inflow-Deferred Charge on Refunding	\$453,133

Financed Purchase

During a prior fiscal year, the School District entered into a financed purchase agreement for constructing its new athletic complex facilities. Financed Purchase payments are reflected as debt expenditures in the fund financial statements. Principal payments made during fiscal year 2022 on the buildings totaled \$178,571 and were paid from the Capital Improvement Fund.

The agreement provides for minimum annual financed purchase payments as follows:

Fiscal Year Ending June 30,	Total Payments
2023	\$213,571
2024	203,571
2025	193,571
2026	183,577
Total	794,290
Less: Amount Representing Interest	(80,001)
<i>Present Value of Net Minimum Lease Payments</i>	\$714,289

Lease

The School District has an outstanding agreement to lease copiers. Due to the implementation of GASB Statement No. 87, this lease meets the criteria of a lease thus requiring it to be recorded by the School District. The future lease payments were discounted based on the interest rate implicit in the lease or using the School District's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. Principal payments in fiscal year 2022 totaled \$16,306 and were paid from the Capital Improvement Fund.

There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the following funds: the General Fund and Public School Preschool, Title I, Special Education Part B – IDEA, Improving Teacher Quality – Title II-A, Special Revenue Funds. For additional information related to the net pension/OPEB liability, see Notes 11 and 12.

Compensated absences will be paid from the General Fund.

The School District's overall legal debt margin was \$13,964,846 with an unvoted debt margin of \$197,480 at June 30, 2022.

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

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30,	General Obligation Bonds				
	Term Bonds		Capital Appreciation Bonds		Total
	Principal	Interest	Principal	Interest	
2023	\$85,000	\$103,304	\$30,000	\$445,000	\$663,304
2024	55,000	88,251	35,000	460,000	638,251
2025	60,000	87,048	25,000	465,000	637,048
2026	555,000	80,621	0	0	635,621
2027	585,000	68,708	0	0	653,708
2028-2032	2,995,000	150,846	0	0	3,145,846
<i>Totals</i>	<u>\$4,335,000</u>	<u>\$578,778</u>	<u>\$90,000</u>	<u>\$1,370,000</u>	<u>\$6,373,778</u>

NOTE 15 – INTERFUND ACTIVITY

As of June 30, 2022, interfund receivable and payables that resulted from various interfund transactions were as follows:

		Receivable
		Nonmajor
		Governmental
		Funds
		<hr/>
Payable	Nonmajor	
	Governmental Funds	<u>\$4,888</u>

Nonmajor Governmental funds to other Nonmajor Governmental funds were made to move restricted balances to support programs and projects accounted for in other funds. Advancing monies to other funds is necessary due to timing differences in the receiving grant monies.

Transfers made during the fiscal year ended June 30, 2022, were as follows:

		Transfer To
		Nonmajor
		Governmental Funds
		<hr/>
Transfer From	Nonmajor Funds	<u>\$100,659</u>

Transfers from Nonmajor Governmental funds to other Nonmajor Governmental funds were made to move restricted balances to support programs and projects accounted for in other funds.

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS, INSURANCE PURCHASING POOLS AND PUBLIC ENTITY SHARED RISK POOL

Jointly Governed Organizations

Metropolitan Educational Technology Association (META)

The School District is a participant in the Metropolitan Educational Technology Association (META), which is a computer consortium and a regional council of governments. META is an educational solutions partner providing services across Ohio. META provides cost-effective fiscal, network, technology, and student services, a purchasing cooperative, and other individual services based on each client's needs.

The governing board of META consists of a president, vice president and twelve board members who represent the members of META. The Board works with META's Chief Executive Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The Board exercises total control over the operations of the Association including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. The School District paid META \$61,028 for services provided during the fiscal year. Financial information can be obtained from META Solutions, 100 Executive Drive, Marion Ohio 43302.

Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools is a jointly governed organization composed of 136 school districts and other educational institutions in the 35-county region of Ohio designated as Appalachia. The Coalition is operated by a Board which is composed of seventeen members. One elected and one appointed from each of the seven regions into which the 35 Appalachian counties are divided; and three from Ohio University College of Education. The Council provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Council is not dependent on the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Council. The School District did not pay the Coalition for services provided during the year. The financial information for the Coalition can be obtained from the Executive Director, at McCracken Hall, Ohio University, Athens, Ohio 45701.

Insurance Purchasing Pools

Ohio School Plan

The School District participates in the Ohio School Plan (Plan), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a fifteen member board consisting of superintendents, treasurers, the president of Harcum-Shuett Insurance Agency, Inc., and a member of the Hylant Group, Inc. The Hylant Group, Inc. is the Plan's administrator and is responsible for processing claims. Harcum-Shuett Insurance Agency serves as the sales and marketing representative which establishes agreements between the Plan and its members. Financial information can be obtained from Harcum-Shuett Insurance Agency, 246 East Sycamore Street, Columbus, Ohio 43206.

Wheelersburg Local School District
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For the Fiscal Year Ended June 30, 2022

Ohio SchoolComp Group Retrospective Rating Program

The School District participates in the Ohio School Boards’ Association (OSBA) Workers’ Compensation Group Retro-Rating Program (GRP), an insurance purchasing pool. The GRP’s business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect and the Immediate Past President of OSBA. The Director of OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Public Entity Shared Risk Pool

Optimal Health Initiatives Consortium

The School District is a member of the Optimal Health Initiatives Consortium (the “Consortium”), a public entity shared risk pool, consisting of school districts whose self-insurance programs for health care benefits were administered previously under the Scioto County Schools Council of Governments, the Northern Buckeye Education Council, Ohio Healthcare Plan, and the Butler Health Plan. The overall objective of the Consortium is to enable its members to purchase employee benefits and related products and services using the Consortium’s economies of scale to create cost-savings. The Council’s business and affairs are managed by an Executive Board of Trustees, consisting of the chairperson of each division’s board of trustees and the chairperson of the Butler Health Plan. The participants pay an administrative fee to the fiscal agent to cover the costs of administering the Consortium. To obtain financial information, write to the fiscal agent, Charles Leboeuf, CPA, MCM CPAs & Advisors, 3536 Edwards Road, Cincinnati, Ohio 45208.

NOTE 17 – SET-ASIDE CALCULATIONS

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

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

	Capital Acquisitions
Set-aside Balance as of June 30, 2021	\$0
Current Fiscal Year Set-aside Requirement	277,309
Current Fiscal Year Offsets	(527,142)
Qualifying Disbursements	(131,354)
<i>Totals</i>	(\$381,187)
<i>Set-aside Balance as of June 30, 2022</i>	\$0

Although the School District had offsets and qualifying expenditures for capital acquisitions that exceeded the set-aside requirements, these amounts may not be used to reduce the set-aside requirements of future fiscal years and therefore are not presented as being carried forward to the next fiscal year.

Wheelersburg Local School District
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NOTE 18 - FUND BALANCES

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

Fund Balances	General Fund	Nonmajor Governmental Funds	Total
<i>Nonspendable:</i>			
Prepays	\$95,657	\$21,829	\$117,486
Inventory	19,206	0	19,206
Endowment	0	143,034	143,034
<i>Total Nonspendable</i>	114,863	164,863	279,726
<i>Restricted for:</i>			
Bond Retirement	0	616,609	616,609
Capital Improvements	0	487,584	487,584
Scholarships	0	228,388	228,388
Food Service Operations	0	536,384	536,384
Classroom Facilities Maintenance	0	398,049	398,049
District Managed Activities	0	195,810	195,810
Student Managed Activities	0	100,445	100,445
Local Grants	0	267,591	267,591
State and Federal Grants	0	79,285	79,285
Foundation	0	73,077	73,077
Endowment	0	2,687	2,687
<i>Total Restricted</i>	0	2,985,909	2,985,909
<i>Committed to:</i>			
Future Severance Payments	147,465	0	147,465
<i>Assigned to:</i>			
Purchases on Order	130,914	0	130,914
Future Appropriations	461,368	0	461,368
<i>Total Assigned</i>	592,282	0	592,282
<i>Unassigned (Deficit):</i>	1,252,541	(40,611)	1,211,930
<i>Total Fund Balances</i>	\$2,107,151	\$3,110,161	\$5,217,312

NOTE 19– CONTINGENCIES

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2022, if applicable, cannot be determined at this time.

School Foundation

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

Litigation

The School District is not a party to any legal proceeding as of June 30, 2022.

NOTE 20 – ENDOWMENTS

The School District’s permanent funds include donor-restricted endowments. The Net Position-Non-Expendable amounts of \$143,034 represent the principal portion of the endowments. The Net Position – Expendable amount of \$2,687 represents the interest earnings on donor-restricted investments and is available for expenditure by the governing board, for purposes consistent with the endowment’s intent. State law permits the governing board to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise.

NOTE 21 – SIGNIFICANT COMMITMENTS

Contractual Commitments

The outstanding construction commitments at June 30, 2022, are:

Project	Contract Amount	Amount Expended	Balance at 6/30/22
Renovations for new dishwasher	\$113,760	\$0	\$113,760

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods and services. Encumbrances accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General Fund	\$168,261
Nonmajor Governmental Funds	497,575
Total	\$665,836

Wheelersburg Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 22 – 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 of 2021 while the national state of emergency continues. During fiscal year 2022, the School District received COVID-19 funding. The financial impact of COVID-19 and the continuing recovery measures will impact subsequent periods of the School District. The impact on the School District's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

Wheelersburg Local School District
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 School Employees Retirement System of Ohio
 Last Nine Fiscal Years (1)

	2022	2021	2020	2019
School District's Proportion of the Net Pension Liability	0.05188000%	0.05774280%	0.05757050%	0.05787610%
School District's Proportionate Share of the Net Pension Liability	\$1,914,221	\$3,819,231	\$3,444,544	\$3,314,671
School District's Covered Payroll	\$1,855,543	\$1,959,557	\$1,770,163	\$1,922,044
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	103.16%	194.90%	194.59%	172.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.86%	68.55%	70.85%	71.36%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014
0.05604880%	0.05690960%	0.05491530%	0.05268700%	0.05268700%
\$3,348,793	\$4,165,257	\$3,133,519	\$2,666,459	\$3,133,127
\$1,857,207	\$1,856,986	\$1,629,257	\$1,530,977	\$1,472,107
180.31%	224.30%	192.33%	174.17%	212.83%
69.50%	62.98%	69.16%	71.70%	65.52%

Wheelersburg Local School District
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net OPEB Liability
 School Employees Retirement System of Ohio
 Last Six Fiscal Years (1)

	2022	2021	2020
School District's Proportion of the Net OPEB Liability	0.05352810%	0.05929740%	0.05898920%
School District's Proportionate Share of the Net OPEB Liability	\$1,013,063	\$1,288,727	\$1,483,454
School District's Covered Payroll	\$1,855,543	\$1,959,557	\$1,770,163
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered - Payroll	54.60%	65.77%	83.80%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.08%	18.17%	15.57%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.05857230%	0.05679260%	0.05752670%
\$1,624,954	\$1,524,164	\$1,639,724
\$1,922,044	\$1,857,207	\$1,856,986
84.54%	82.07%	88.30%
13.57%	12.46%	11.49%

Wheelersburg Local School District
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Nine Fiscal Years (1)

	2022	2021	2020	2019
School District's Proportion of the Net Pension Liability	0.053895625%	0.054851200%	0.057108900%	0.056984710%
School District's Proportionate Share of the Net Pension Liability	\$6,891,040	\$13,272,040	\$12,629,290	\$12,529,658
School District's Covered Payroll	\$6,716,021	\$6,648,107	\$6,881,536	\$6,529,386
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	102.61%	199.64%	183.52%	191.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.80%	75.50%	77.40%	77.30%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014
0.057000440%	0.056414850%	0.056200870%	0.055765260%	0.055765260%
\$13,540,576	\$18,883,751	\$15,532,276	\$13,564,040	\$16,157,397
\$6,125,557	\$6,183,250	\$5,863,971	\$5,728,923	\$5,799,854
221.05%	305.40%	264.88%	236.76%	278.58%
75.30%	66.80%	72.10%	74.70%	69.30%

Wheelersburg Local School District
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)
 State Teachers Retirement System of Ohio
 Last Six Fiscal Years (1)

	2022	2021	2020
School District's Proportion of the Net OPEB Liability (Asset)	0.05389563%	0.05485120%	0.05710890%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$1,136,345)	(\$964,009)	(\$945,861)
School District's Covered Payroll	\$6,716,021	\$6,648,107	\$6,881,536
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered - Payroll	(16.92%)	(14.50%)	(13.74%)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	174.70%	182.10%	174.70%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

2019	2018	2017
0.05698471%	0.05700044%	0.05641485%
(\$915,687)	\$2,223,947	\$3,017,081
\$6,529,386	\$6,125,557	\$6,183,250
(14.02%)	36.31%	48.79%
176.00%	47.10%	37.30%

Wheelersburg Local School District
Required Supplementary Information
Schedule of the School District's Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2022	2021	2020	2019
Net Pension Liability				
Contractually Required Contribution	\$291,429	\$259,776	\$274,338	\$238,972
Contributions in Relation to the Contractually Required Contribution	<u>(291,429)</u>	<u>(259,776)</u>	<u>(274,338)</u>	<u>(238,972)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$2,081,636	\$1,855,543	\$1,959,557	\$1,770,163
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.50%</u>
Net OPEB Liability				
Contractually Required Contribution (2)	38,411	34,539	35,151	44,813
Contributions in Relation to the Contractually Required Contribution	<u>(38,411)</u>	<u>(34,539)</u>	<u>(35,151)</u>	<u>(44,813)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.85%</u>	<u>1.86%</u>	<u>1.79%</u>	<u>2.53%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.85%</u>	<u>15.86%</u>	<u>15.79%</u>	<u>16.03%</u>

(1) The School District's covered payroll is the same for Pension and OPEB.

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014	2013
\$259,476	\$260,009	\$259,978	\$214,736	\$212,193	\$203,740
(259,476)	(260,009)	(259,978)	(214,736)	(212,193)	(203,740)
\$0	\$0	\$0	\$0	\$0	\$0
\$1,922,044	\$1,857,207	\$1,856,986	\$1,629,257	\$1,530,977	\$1,472,107
13.50%	14.00%	14.00%	13.18%	13.86%	13.84%
40,618	30,565	28,487	41,600	28,633	27,372
(40,618)	(30,565)	(28,487)	(41,600)	(28,633)	(27,372)
\$0	\$0	\$0	\$0	\$0	\$0
2.11%	1.65%	1.53%	2.55%	1.87%	1.86%
15.61%	15.65%	15.53%	15.73%	15.73%	15.70%

Wheelersburg Local School District
 Required Supplementary Information
 Schedule of the School District's Contributions
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years

	2022	2021	2020	2019
Net Pension Liability				
Contractually Required Contribution	\$1,026,132	\$940,243	\$930,735	\$963,415
Contributions in Relation to the Contractually Required Contribution	<u>(1,026,132)</u>	<u>(940,243)</u>	<u>(930,735)</u>	<u>(963,415)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$7,329,514	\$6,716,021	\$6,648,107	\$6,881,536
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014	2013
\$914,114	\$857,578	\$865,655	\$820,956	\$744,760	\$753,981
(914,114)	(857,578)	(865,655)	(820,956)	(744,760)	(753,981)
\$0	\$0	\$0	\$0	\$0	\$0
\$6,529,386	\$6,125,557	\$6,183,250	\$5,863,971	\$5,728,923	\$5,799,854
14.00%	14.00%	14.00%	14.00%	13.00%	13.00%
\$0	\$0	\$0	\$0	\$57,289	\$57,999
0	0	0	0	(57,289)	(57,999)
\$0	\$0	\$0	\$0	\$0	\$0
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

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Wheelersburg Local School District
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

NET PENSION LIABILITY

Changes in Assumptions – SERS

Beginning in fiscal year 2022, an assumption of 2.0 percent was used for COLA or Ad Hoc Cola. For fiscal years 2018 through 2021, an assumption of 2.5 percent was used. Prior to 2018, an assumption of 3 percent was used.

Amounts reported in 2022 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in prior years are presented below:

	<u>Fiscal Year 2022</u>	<u>Fiscal Years 2021-2017</u>	<u>Fiscal Year 2016 and Prior</u>
Wage Inflation	2.4 percent	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.0 percent net of system expenses	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

Amounts reported for 2022 use mortality rates 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 2 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 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Amounts report for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions - STRS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018-2021 and fiscal year 2017 and prior are presented below:

Wheelersburg Local School District
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

	Fiscal Year 2022	Fiscal Years 2021-2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

Beginning with fiscal year 2018, 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. 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. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males’ ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

NET OPEB LIABILITY

Changes in Assumptions – SERS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by SERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

	2022	2021 and Prior
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation
Medical Trend Assumption		
Medicare	5.125 to 4.40 percent	5.25 to 4.75 percent
Pre-Medicare	6.75 to 4.40 percent	7.00 to 4.75 percent

Wheelersburg Local School District
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

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

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

For 2021, mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted 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 2 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 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

In fiscal year 2022, the discount rate was changed from 2.63% to 2.27%.

In fiscal year 2021, the discount rate was changed from 3.22% to 2.63%.

In fiscal year 2020, the discount rate was changed from 3.70% to 3.22%.

In fiscal year 2019, the discount rate was changed from 3.63% to 3.70%. The health care trend rates were also updated.

In fiscal year 2018, the discount rate was change from 2.98% to 3.63%.

In fiscal year 2017, the following assumptions were changed:

- Assumed rate of inflation was reduced from 3.25% to 3.00%
- Payroll Growth Assumption was reduced from 4.00% to 3.50%
- Assumed real wage growth was reduced from 0.75% to 0.50%
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
 - o 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 the following:
 - o RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates.

Wheelersburg Local School District
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 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.

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.

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

For fiscal year 2022, the following changes in assumptions occurred:

	2022	2021
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation
Health Care Cost Trends		
Medical		
Medicare	-16.18 percent initial, 4 percent ultimate	-6.69 percent initial, 4 percent ultimate
Prescription Drug		
Medicare	29.98 initial, 4 percent ultimate	11.87 initial, 4 percent ultimate

Changes in Benefit Terms – STRS OPEB

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 2020.

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 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.

Wheelersburg Local School District
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

For fiscal year 2021, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 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 2022, there was no change to the claims costs 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 per year of service. 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 CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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**WHEELERSBURG LOCAL SCHOOL DISTRICT
SCIOTO 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 Grant Year	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Education</i>				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	10.555	2021-2022	\$ 0	\$ 36,406
Cash Assistance:				
National School Lunch Program	10.555	2021-2022		370,731
COVID-19 National School Lunch Program		2021-2022		23,910
Total National School Lunch Program				<u>431,047</u>
School Breakfast Program	10.553	2021-2022		143,127
Total Child Nutrition Cluster				<u>574,174</u>
COVID-19 Pandemic EBT Administrative Costs	10.649	2021-2022		614
Total U.S. Department of Agriculture				<u>574,788</u>
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through Ohio Department of Education</i>				
Title I Grants to Local Educational Agencies	84.010A	2021 2022		35,559 <u>427,497</u>
Total Title I Grants to Local Educational Agencies				463,056
Special Education Cluster:				
Special Education Grants to States	84.027A	2021		15,546
	84.027A	2022		282,841
COVID-19 Special Education Grants to States	84.027X	2022		<u>67,723</u>
Total Special Education Grants to States				366,110
COVID-19 Special Education Preschool Grants	84.173X	2022		<u>5,831</u>
Total Special Education Cluster				371,941
Supporting Effective Instruction State Grants	84.367A	2022		35,316
Student Support and Academic Enrichment Program	84.424A	2021 2022		(3,151) <u>27,270</u>
Total Student Support and Academic Enrichment Program				24,119
Rural Education	84.358B	2022		36,811
COVID-19 Education Stabilization Fund	84.425D	2021		-
	84.425D	2022		811,947
	84.425U	2022		<u>289,653</u>
Total COVID-19 Education Stabilization Fund				1,101,600
Total U.S. Department of Education				<u>2,032,843</u>
FEDERAL COMMUNICATIONS COMMISSION (FCC)				
<i>Direct from the Universal Service Administration Company (USAC)</i>				
COVID-19 Emergency Connectivity Fund Program	32.009	2022		148,500
Total Federal Communications Commission (FCC)				<u>148,500</u>
Total Expenditures of Federal Awards			-	<u>2,756,131</u>

The accompanying notes are an integral part of this schedule.

**WHEELERSBURG LOCAL SCHOOL DISTRICT
SCIOTO COUNTY**

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F – NEGATIVE EXPENDITURE

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The School District transferred \$3,151 in the Student Support and Academic Enrichment Program from the 2021 to 2022 program year. This resulted in the negative expenditure reported on the schedule this year.



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

Wheelersburg Local School District
Scioto County
P.O. Box 340
Wheelersburg, Ohio 45694

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Wheelersburg Local School District, Scioto County, Ohio (the School District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated March 15, 2023, wherein we noted the School District modified its approach related to eligibility requirements of certain School District grants and implemented GASB 87 regarding leases which resulted in the restatement to net position at July 1, 2021. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the School District.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio
March 15, 2023

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
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(800) 282-0370

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

Wheelersburg Local School District
Scioto County
P.O. Box 340
Wheelersburg, Ohio 45694

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

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

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

Wheelersburg Local School District
Scioto County
Independent Auditor's Report on Compliance with Requirements
Applicable to the Major Federal Program and on Internal Control Over
Compliance Required by the Uniform Guidance
Page 3

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 15, 2023

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**WHEELERSBURG LOCAL SCHOOL DISTRICT
SCIOTO 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 – Federal AL- #84.425D&U
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

4. OTHER – FINDINGS FOR RECOVERY

In addition, we identified the following other issue related to Findings for Recovery. This issue did not impact our GAGAS or Single Audit Compliance and Controls reports.

FINDING NUMBER 2022-001

Finding for Recovery- Repaid During Audit

Teachers' salary amounts are set forth in the Collective Bargaining Agreement between the Wheelersburg Local School District Board of Education and the Wheelersburg Education Association. As such, all teachers are to be paid an approved salary amount according to the position and education levels outlined in the agreement.

In fiscal year 2022 and 2023, School Teacher, Erin Prater, was incorrectly paid. She was paid at a salary amount for the position Bachelors 150 Step 20 instead of correct position, which was a Masters Step 9. This error resulted in an overpayment in fiscal year 2022 of \$831. This error continued into July and August 2022 (fiscal year 2023), and an additional \$151 was overpaid as well. This equaled an overpayment of \$982 in total. This error appeared to have occurred when the teacher's salary amount was being entered into the payroll system at the beginning of the year. The School District Treasurer had created a listing of employees and their proper salary amounts and when he input Ms. Prater's, he picked up the individual above her on the spreadsheet, which caused the error.

In accordance with the forgoing facts and pursuant to Ohio Rev. Code 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Erin Prater in the amount of \$982 and in favor of Wheelersburg Local School District's General Fund.

On February 3, 2023, there was a reduction of gross wages taken from Ms. Prater's current pay of \$491. Then, again on February 17, 2023, another reduction of gross wages was taken from her pay of \$491. Thus, the Finding for Recovery amount of \$982 was paid in full to the School District by Ms. Prater. As such, this constitutes a Finding for Recovery Repaid Under Audit.

Officials' Response :

We did not receive a response from Officials to this finding.

OHIO AUDITOR OF STATE KEITH FABER



WHEELERSBURG LOCAL SCHOOL DISTRICT

SCIOTO 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

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

This report is a matter of public record and is available online at
www.ohioauditor.gov