



OHIO AUDITOR OF STATE  
**KEITH FABER**





**MARIEMONT CITY SCHOOL DISTRICT  
HAMILTON COUNTY  
JUNE 30, 2021**

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MARIEMONT CITY SCHOOL DISTRICT  
HAMILTON COUNTY  
JUNE 30, 2021

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Mariemont City School District  
Hamilton County  
2 Warrior Way  
Cincinnati, Ohio 45227

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mariemont City School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Emphasis of Matters***

As discussed in Note 18 to the financial statements, during 2021, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We did not modify our opinion regarding this matter.

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

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, *Required budgetary comparison schedule* and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

***Supplementary and Other Information***

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis 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 and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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  
April 22, 2022

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**Mariemont City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
(Unaudited)

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The discussion and analysis of Mariemont City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

### **Financial Highlights**

Key financial highlights for 2021 are as follows:

- Net position of governmental activities increased \$8,285,573 which represents a 94% increase from 2020. This is mainly due to an increase in property tax revenues.
- General revenues accounted for \$38,297,671 in revenue or 93% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,743,543 or 7% of total revenues of \$41,041,214.
- The District had \$32,755,641 in expenses related to governmental activities; \$2,743,543 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$38,297,671 were also used to provide for these programs.

### **Overview of the Financial Statements**

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

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

### **Government-Wide Financial Statements**

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2021?" The Government-wide Financial Statements answer this question. These statements include *all assets and deferred outflows*, and *liabilities and deferred inflows* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Mariemont City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
(Unaudited)

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These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, the overall financial position of the District is presented as Governmental Activities – All of the District's programs and services are reported as Governmental Activities including instruction, support services, operation of noninstructional services, extracurricular activities, and interest and fiscal charges.

**Fund Financial Statements**

The analysis of the District's major funds is presented in the Fund Financial Statements. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

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

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

**The District as a Whole**

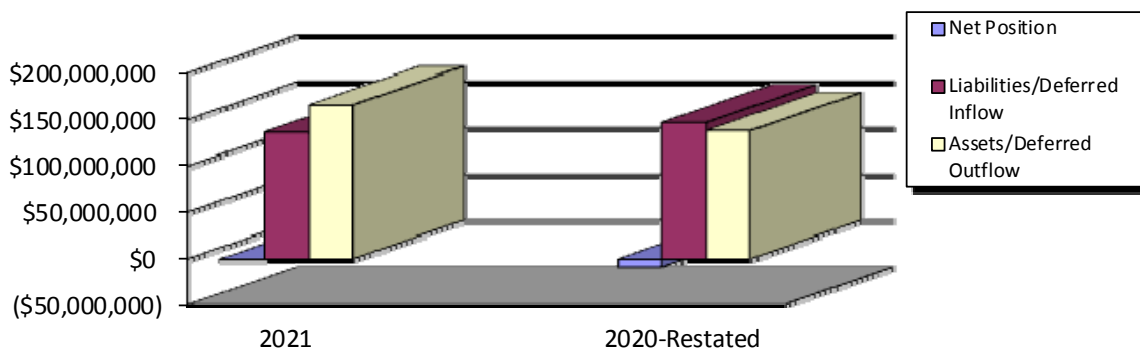
As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2021 compared to 2020:

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**Mariemont City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
(Unaudited)

**Table 1**  
**Net Position**

	Governmental Activities	
	2021	2020-Restated
<b>Assets:</b>		
Current and Other Assets	\$47,804,188	\$63,087,004
Net OPEB Asset	1,655,631	1,588,842
Capital Assets	79,520,194	66,066,613
<b>Total Assets</b>	<b>128,980,013</b>	<b>130,742,459</b>
<b>Deferred Outflows of Resources:</b>		
Deferred Charge on Refunding	1,264,793	1,313,384
OPEB	745,454	579,628
Pension	5,094,995	5,519,372
<b>Total Deferred Outflows of Resources</b>	<b>7,105,242</b>	<b>7,412,384</b>
<b>Liabilities:</b>		
Other Liabilities	5,464,992	6,667,081
Long-Term Liabilities	114,761,562	115,628,356
<b>Total Liabilities</b>	<b>120,226,554</b>	<b>122,295,437</b>
<b>Deferred Inflows of Resources:</b>		
Property Taxes	12,910,853	20,723,788
OPEB	2,998,961	2,608,742
Pension	507,978	1,371,540
<b>Total Deferred Inflows of Resources</b>	<b>16,417,792</b>	<b>24,704,070</b>
<b>Net Position:</b>		
Net Investment in Capital Assets	326,657	823,363
Restricted	5,050,319	2,611,256
Unrestricted	(5,936,067)	(12,279,283)
<b>Total Net Position</b>	<b>(\$559,091)</b>	<b>(\$8,844,664)</b>



Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2021, the District's assets and deferred outflows of resources were less than liabilities and deferred inflows of resources by \$559,091.

**Mariemont City School District, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
(Unaudited)

At year-end, capital assets represented 62% of total assets. Capital assets include land, construction in progress, buildings and improvements, equipment, and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2021, were \$326,657. These capital assets are used to provide services to the students and are not available for future spending. Although the District’s investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District’s net position, \$5,050,319 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Total assets increased from the prior year mainly due to the increase in the District’s capital assets. Long-term liabilities decreased slightly due to the District continually making payments on their outstanding debt.

Table 2 shows the changes in net position for fiscal years 2021 and 2020.

**Table 2**  
**Changes in Net Position**

	Governmental Activities	
	2021	2020-Restated
Revenues:		
Program Revenues		
Charges for Services	\$626,870	\$654,526
Operating Grants, Contributions	2,116,673	1,072,222
General Revenues:		
Property Taxes	32,559,486	17,221,222
Grants and Entitlements	5,044,221	4,830,882
Investment Earnings	208,953	948,101
Other	485,011	64,470
Total Revenues	<u>41,041,214</u>	<u>24,791,423</u>
Program Expenses:		
Instruction	17,885,787	16,974,394
Support Services:		
Pupil and Instructional Staff	3,696,453	3,291,488
School Administrative, General		
Administration, Fiscal and Business	2,872,794	2,908,731
Operations and Maintenance	2,724,854	2,616,585
Pupil Transportation	1,028,226	900,633
Central	259,446	177,026
Operation of Non-Instructional Services	313,647	404,569
Extracurricular Activities	927,648	907,094
Interest and Fiscal Charges	<u>3,046,786</u>	<u>3,258,892</u>
Total Program Expenses	<u>32,755,641</u>	<u>31,439,412</u>
Change in Net Position	8,285,573	(6,647,989)
Net Position - Beginning of Year, restated	<u>(8,844,664)</u>	<u>(2,196,675)</u>
Net Position - End of Year	<u>(\$559,091)</u>	<u>(\$8,844,664)</u>

**Mariemont City School District, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
(Unaudited)

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The District revenues are mainly from two sources. Property taxes levied for general, debt service and capital related purposes, and grants and entitlements comprised 91% of the District’s revenues for governmental activities.

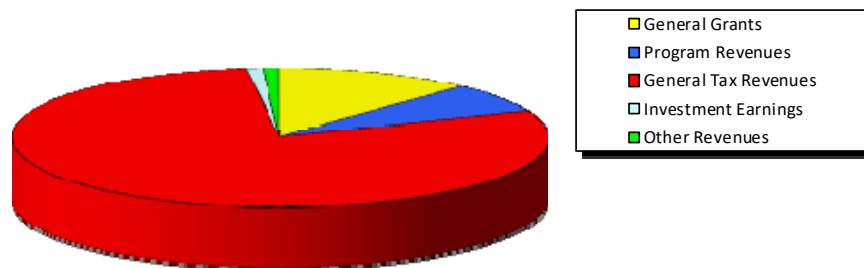
The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus Ohio districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 79% of revenue for governmental activities for the District in fiscal year 2021.

**Governmental Activities**  
**Revenue Sources**

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	2021	Percentage
General Grants	\$5,044,221	12.0%
Program Revenues	2,743,543	7.0%
General Tax Revenues	32,559,486	79.0%
Investment Earnings	208,953	1.0%
Other Revenues	485,011	1.0%
Total Revenue Sources	<u>\$41,041,214</u>	<u>100.0%</u>



Instruction comprises 55% of governmental program expenses. Support services expenses were 32% of governmental program expenses. All other expenses including interest and fiscal charges were 13%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Program revenues increased from the prior year due to an increase in operating grants and contributions as well as charges for services revenues. General revenues increased due to an increase in property taxes revenue.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. These services are mainly supported by tax revenue and unrestricted State entitlements.

**Mariemont City School District, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
(Unaudited)

**Table 3**  
**Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2021	2020-Restated	2021	2020-Restated
Instruction	\$17,885,787	\$16,974,394	(\$16,586,417)	(\$16,087,702)
Support Services:				
Pupil and Instructional Staff	3,696,453	3,291,488	(2,749,936)	(2,970,671)
School Administrative, General				
Administration, Fiscal and Business	2,872,794	2,908,731	(2,872,794)	(2,908,731)
Operations and Maintenance	2,724,854	2,616,585	(2,704,554)	(2,616,585)
Pupil Transportation	1,028,226	900,633	(1,016,864)	(889,989)
Central	259,446	177,026	(249,848)	(177,026)
Operation of Non-Instructional Services	313,647	404,569	(119,528)	(118,498)
Extracurricular Activities	927,648	907,094	(665,371)	(684,570)
Interest and Fiscal Charges	3,046,786	3,258,892	(3,046,786)	(3,258,892)
Total Expenses	<u>\$32,755,641</u>	<u>\$31,439,412</u>	<u>(\$30,012,098)</u>	<u>(\$29,712,664)</u>

**The District’s Funds**

The District has two major governmental funds: the General Fund and the Building Fund. Assets of these funds comprised \$39,911,662 (83%) of the total \$47,815,428 governmental funds assets.

**General Fund:** Fund balance at June 30, 2021 was \$21,710,292 including \$20,670,813 of unassigned balance. The District had an increase in fund balance of \$5,569,204. The increase was mainly due to an increase in property tax revenue.

**Building Fund:** Fund balance at June 30, 2021 was \$1,815,522 a decrease in fund balance of \$14,292,007 from 2020.

**General Fund Budgeting Highlights**

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

The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, final budget basis revenue was \$24,041,708, compared to original budget estimates of \$24,277,044.

The District’s unobligated cash balance for the General Fund was \$14,995,387.

**Mariemont City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
(Unaudited)

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**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2021, the District had \$79,520,194 invested in land, construction in progress, buildings and improvements, equipment, and vehicles. Table 4 shows fiscal year 2021 balances compared to fiscal year 2020:

**Table 4**  
**Capital Assets at Year End**  
**(Net of Depreciation)**

	Governmental Activities	
	2021	2020
Land	\$1,158,482	\$1,158,482
Construction in Progress	42,141,776	27,679,026
Buildings and Improvements	35,319,931	36,326,682
Equipment and Vehicles	900,005	902,423
Total Net Capital Assets	<u>\$79,520,194</u>	<u>\$66,066,613</u>

Total Net Capital Assets increased in 2021 as compared to 2020 due to the continuation of construction projects within the District.

See Note 7 to the Basic Financial Statements for further details on the District's capital assets.

**Debt**

At June 30, 2021, the District had \$83,672,937 in debt outstanding, \$2,574,383 due within one year. Table 5 summarizes total debt outstanding.

**Table 5**  
**Outstanding Debt at Year End**

	2021	2020
General Obligation Bonds Payable:		
Refunding Bonds 2019	\$27,215,000	\$27,285,000
Capital Appreciation Bonds 2019 - principal	69,816	69,816
Capital Appreciation Bonds 2019 - interest	52,028	20,151
Lease Revenue Bonds 2019	41,605,000	42,125,000
Certificate of Participation	1,150,000	1,250,000
Permanent Improvement Bonds 2010 BABs	0	55,000
Permanent Improvement Bonds 2010 QSCB	7,435,000	8,210,000
Refunding Bonds - 2015	2,460,000	2,920,000
Premium and Discount on Bonds	2,898,097	2,976,679
Capital Leases	787,996	1,142,202
Total Outstanding Debt at Year End	<u>\$83,672,937</u>	<u>\$86,053,848</u>

See Notes 8 and 9 to the Basic Financial Statements for further details on the District's obligations.

**Mariemont City School District, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
(Unaudited)

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**Economic Outlook**

The Ohio Department of Education explains the school funding model in Ohio as follows:

The funding of K-12 public schools in Ohio is a joint effort between the state and local school districts. Since the 1970s through FY 2009, with the exception of a few years, Ohio's funding formula was foundation based by means of which a per pupil amount determined by the General Assembly as the per-pupil resource for provision of a basic adequate education was multiplied by the number of pupils to determine the base funding of the school districts. From this product, the local share of the basic adequate amount or the charge off was subtracted to arrive at the state share of the base funding. Additional funding was also provided for services targeted to categories of pupils such as handicapped, vocational, gifted, and economically disadvantaged as well as some adjustments and funding guarantees.

The 2010-11 biennial budget (Am. Sub. HBI of the 128th General Assembly) established another new funding formula called the Evidence-Based Model (EBM). Am. Sub. HB 153 of the 129th General Assembly repealed the EBM and implemented a temporary funding formula, the Bridge Formula, for the 12-13 school year as a new funding formula was developed. The State revised the funding model in June, 2013 and adopted HB 59, the FY 14 and FY 15 biennium budget which again changed our funding formula, but not our funding. In June 2015, Ohio's Governor signed HB64, the state biennium budget bill for FY 16 and FY 17. This made further changes to the funding formula.

Given the uncertainty of the school funding formula and the economic conditions within the State, the level at which the State will fund schools in the future remains uncertain. State Funding was reduced by \$400,000 in FY20 and FY21 due to the coronavirus pandemic. The District remains concerned about the instability of the state economy and the political ramifications of changing the funding formula every two years. We plan carefully and prudently to provide resources to meet the needs of our students but the uncertainty of state funding challenges our planning.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for money it receives. If you have questions about this report or need additional financial information, contact the Treasurer at Mariemont City School District, 2 Warrior Way, Cincinnati, OH 45227.

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Mariemont City School District, Ohio  
Statement of Net Position  
June 30, 2021

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$20,806,074
Restricted Cash and Investments	1,314,865
Receivables (Net):	
Taxes	25,061,953
Accounts	3,650
Interest	5,938
Intergovernmental	596,457
Prepays	15,251
Nondepreciable Capital Assets	43,300,258
Depreciable Capital Assets, Net	36,219,936
Net OPEB Asset	<u>1,655,631</u>
 Total Assets	 <u>128,980,013</u>
Deferred Outflows of Resources:	
Deferred Charge on Refunding Pension	1,264,793
OPEB	5,094,995
	<u>745,454</u>
 Total Deferred Outflows of Resources	 <u>7,105,242</u>
Liabilities:	
Accounts Payable	626,379
Accrued Wages and Benefits	2,656,673
Contracts Payable	815,444
Retainage Payable	1,134,220
Accrued Interest Payable	232,276
Long-Term Liabilities:	
Due Within One Year	2,634,032
Due In More Than One Year:	
Net Pension Liability	28,629,383
Net OPEB Liability	1,941,520
Other Amounts	<u>81,556,627</u>
 Total Liabilities	 <u>120,226,554</u>
Deferred Inflows of Resources:	
Property Taxes	12,910,853
OPEB	2,998,961
Pension	<u>507,978</u>
 Total Deferred Inflows of Resources	 <u>16,417,792</u>
Net Position:	
Net Investment in Capital Assets	326,657
Restricted for:	
Debt Service	2,738,790
Capital Projects	1,637,666
District Managed Activities	176,504
Federal Grants	310,617
Other Purposes	186,742
Unrestricted	<u>(5,936,067)</u>
 Total Net Position	 <u>(\$559,091)</u>

See accompanying notes to the basic financial statements.

Mariemont City School District, Ohio  
Statement of Activities  
For the Fiscal Year Ended June 30, 2021

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$14,572,700	\$293,244	\$400,125	(\$13,879,331)
Special	3,063,382	17,919	586,552	(2,458,911)
Other	249,705	1,530	0	(248,175)
<b>Support Services:</b>				
Pupil	2,290,345	0	801,609	(1,488,736)
Instructional Staff	1,406,108	0	144,908	(1,261,200)
General Administration	12,001	0	0	(12,001)
School Administration	2,108,783	0	0	(2,108,783)
Fiscal	734,535	0	0	(734,535)
Business	17,475	0	0	(17,475)
Operations and Maintenance	2,724,854	20,300	0	(2,704,554)
Pupil Transportation	1,028,226	0	11,362	(1,016,864)
Central	259,446	0	9,598	(249,848)
Operation of Non-Instructional Services	313,647	31,600	162,519	(119,528)
Extracurricular Activities	927,648	262,277	0	(665,371)
Interest and Fiscal Charges	3,046,786	0	0	(3,046,786)
<b>Totals</b>	<b>\$32,755,641</b>	<b>\$626,870</b>	<b>\$2,116,673</b>	<b>(30,012,098)</b>

<b>General Revenues:</b>	
Property Taxes Levied for:	
General Purposes	26,163,883
Debt Service Purposes	3,362,382
Capital Projects Purposes	3,033,221
Grants and Entitlements, Not Restricted	5,044,221
Investment Earnings	208,953
Other Revenues	485,011
<b>Total General Revenues</b>	<b>38,297,671</b>
<b>Change in Net Position</b>	<b>8,285,573</b>
<b>Net Position - Beginning of Year, Restated</b>	<b>(8,844,664)</b>
<b>Net Position - End of Year</b>	<b>(\$559,091)</b>

See accompanying notes to the basic financial statements.

Mariemont City School District, Ohio  
Balance Sheet  
Governmental Funds  
June 30, 2021

	General	Building	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$15,592,635	\$2,630,966	\$2,582,473	\$20,806,074
Restricted Cash and Investments	180,645	1,134,220	0	1,314,865
<b>Receivables (Net):</b>				
Taxes	20,340,179	0	4,721,774	25,061,953
Accounts	588	0	3,062	3,650
Interest	4,654	1,284	0	5,938
Intergovernmental	0	0	596,457	596,457
Interfund	11,240	0	0	11,240
Prepays	15,251	0	0	15,251
<b>Total Assets</b>	<b>36,145,192</b>	<b>3,766,470</b>	<b>7,903,766</b>	<b>47,815,428</b>
<b>Liabilities:</b>				
Accounts Payable	324,112	0	302,267	626,379
Accrued Wages and Benefits	2,656,673	0	0	2,656,673
Compensated Absences	9,732	0	0	9,732
Contracts Payable	0	815,444	0	815,444
Retainage Payable	0	1,134,220	0	1,134,220
Interfund Payable	0	0	11,240	11,240
<b>Total Liabilities</b>	<b>2,990,517</b>	<b>1,949,664</b>	<b>313,507</b>	<b>5,253,688</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	11,440,179	0	2,506,774	13,946,953
Grants and Other Taxes	0	0	305,562	305,562
Investment Earnings	4,204	1,284	0	5,488
<b>Total Deferred Inflows of Resources</b>	<b>11,444,383</b>	<b>1,284</b>	<b>2,812,336</b>	<b>14,258,003</b>
<b>Fund Balances:</b>				
Nonspendable	15,251	0	0	15,251
Restricted	0	1,815,522	4,795,535	6,611,057
Assigned	1,024,228	0	0	1,024,228
Unassigned	20,670,813	0	(17,612)	20,653,201
<b>Total Fund Balances</b>	<b>21,710,292</b>	<b>1,815,522</b>	<b>4,777,923</b>	<b>28,303,737</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$36,145,192</b>	<b>\$3,766,470</b>	<b>\$7,903,766</b>	<b>\$47,815,428</b>

See accompanying notes to the basic financial statements.

Mariemont City School District, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Position of Governmental Activities  
 June 30, 2021

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Total Governmental Fund Balance		\$28,303,737
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets used in the operation of Governmental Funds		79,520,194
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Taxes	1,036,100	
Interest	5,488	
Intergovernmental	305,562	
		<u>1,347,150</u>
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
		(232,276)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(507,990)
Deferred charge on refunding associated with long-term liabilities that are not reported in the funds.		
		1,264,793
Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	5,094,995	
Deferred inflows of resources related to pensions	(507,978)	
Deferred outflows of resources related to OPEB	745,454	
Deferred inflows of resources related to OPEB	(2,998,961)	
		<u>2,333,510</u>
Long-term liabilities and net OPEB assets are not available to pay for current period expenditures and are not due and payable in the current period and, therefore, are not reported in the funds.		
Net OPEB Asset	1,655,631	
Net Pension Liability	(28,629,383)	
Net OPEB Liability	(1,941,520)	
Other Amounts	(83,672,937)	
		<u>(112,588,209)</u>
Net Position of Governmental Activities		<u><u>(\$559,091)</u></u>

See accompanying notes to the basic financial statements.

Mariemont City School District, Ohio  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2021

	General	Building	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property and Other Taxes	\$25,920,408	\$0	\$6,372,975	\$32,293,383
Tuition and Fees	312,364	0	0	312,364
Investment Earnings	65,874	168,186	389	234,449
Intergovernmental	5,010,297	0	1,906,365	6,916,662
Extracurricular Activities	45,478	0	215,559	261,037
Charges for Services	0	0	29,853	29,853
Other Revenues	152,998	0	355,172	508,170
<b>Total Revenues</b>	<b>31,507,419</b>	<b>168,186</b>	<b>8,880,313</b>	<b>40,555,918</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	12,045,539	0	449,798	12,495,337
Special	2,552,215	0	362,633	2,914,848
Other	249,705	0	0	249,705
<b>Support Services:</b>				
Pupil	1,645,760	0	526,922	2,172,682
Instructional Staff	1,227,050	0	155,365	1,382,415
General Administration	11,618	0	0	11,618
School Administration	1,907,757	0	7,734	1,915,491
Fiscal	647,797	0	50,528	698,325
Business	17,475	0	0	17,475
Operations and Maintenance	2,700,576	0	0	2,700,576
Pupil Transportation	1,024,114	0	800	1,024,914
Central	233,725	0	9,598	243,323
Operation of Non-Instructional Services	0	0	302,174	302,174
Extracurricular Activities	679,471	0	193,407	872,878
Capital Outlay	48,990	14,462,750	368,994	14,880,734
<b>Debt Service:</b>				
Principal Retirement	454,206	0	1,880,000	2,334,206
Interest and Fiscal Charges	65,717	0	2,982,936	3,048,653
<b>Total Expenditures</b>	<b>25,511,715</b>	<b>14,462,750</b>	<b>7,290,889</b>	<b>47,265,354</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>5,995,704</b>	<b>(14,294,564)</b>	<b>1,589,424</b>	<b>(6,709,436)</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	0	2,557	0	2,557
Transfers In	0	0	426,500	426,500
Transfers (Out)	(426,500)	0	0	(426,500)
<b>Total Other Financing Sources (Uses)</b>	<b>(426,500)</b>	<b>2,557</b>	<b>426,500</b>	<b>2,557</b>
<b>Net Change in Fund Balance</b>	<b>5,569,204</b>	<b>(14,292,007)</b>	<b>2,015,924</b>	<b>(6,706,879)</b>
<b>Fund Balance - Beginning of Year, Restated</b>	<b>16,141,088</b>	<b>16,107,529</b>	<b>2,761,999</b>	<b>35,010,616</b>
<b>Fund Balance - End of Year</b>	<b>\$21,710,292</b>	<b>\$1,815,522</b>	<b>\$4,777,923</b>	<b>\$28,303,737</b>

See accompanying notes to the basic financial statements.

Mariemont City School District, Ohio  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2021

Net Change in Fund Balance - Total Governmental Funds (\$6,706,879)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.

Capital assets used in governmental activities	14,550,332	
Depreciation Expense	<u>(1,094,651)</u>	13,455,681

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss. (2,100)

Governmental funds report district pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions are reported as pension and OPEB expense.

District pension contributions	2,019,124	
Cost of benefits earned net of employee contributions - Pensions	(3,662,215)	
District OPEB contributions	58,040	
Cost of benefits earned net of employee contributions - OPEB	<u>125,385</u>	(1,459,666)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent Property Taxes	266,103	
Interest	(25,496)	
Intergovernmental	<u>244,232</u>	484,839

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 2,334,206

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 3,753

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences	177,625	
Amortization of Bond Premium	79,396	
Amortization of Deferred Charge on Refunding	(48,591)	
Amortization of Bond Discount	(814)	
Bond Accretion	<u>(31,877)</u>	175,739

Change in Net Position of Governmental Activities \$8,285,573

See accompanying notes to the basic financial statements.

**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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**Note 1 – Description of the District**

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The District was chartered by the Ohio State Legislature. In 1853 state laws were enacted to create local Boards of Education. Today, the District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code.

The District operates under a locally elected five member Board form of government and provides educational services as mandated by state and/or federal agencies. This Board controls the District's instructional and support facilities staffed by 65 non-certificated personnel and 141 certificated full time teaching and administrative personnel to provide services to students and other community members. The District is the 15th largest in Hamilton County (among 22 Districts) in terms of enrollment. It currently operates 2 elementary schools, 1 junior high school (grades 7-8), and 1 high school (grades 9-12).

**Reporting Entity**

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

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

The District is associated with three jointly governed organizations. These organizations are:

Jointly Governed Organizations:

- Hamilton Clermont Cooperative Information Technology Center
- Great Oaks Career Campuses
- Greater Cincinnati Insurance Consortium

These organizations are presented in Note 13.

**Note 2 – Summary of Significant Accounting Policies**

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

**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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**Basis of Presentation**

**Government-wide Financial Statements**

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

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program 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 and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**Fund Financial Statements**

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

**Fund Accounting**

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



**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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**Governmental Funds**

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

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

Building Fund - The building fund is used to account for receipts and expenditures related to the construction of school facilities.

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

**Fiduciary Funds**

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

**Basis of Accounting**

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

**Revenues – Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end. Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from 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 as an advance, grants, and other taxes.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditures/expenses) until then. For the District, deferred outflows of resources includes a deferred charge on refunding, pension, and other post employment benefits. These amounts are reported on government-wide statement of net position. The deferred outflows of resources related to a deferred charge on refunding, pension, and OPEB plans are explained in Notes 10 and 11.

The District reports a deferred inflow of resources which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenues) until that time. For the District, deferred inflows of resources include property taxes, OPEB, pension, grants and other taxes, and investment earnings. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance year 2022 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants and other taxes, and investment earnings are recorded as deferred inflows only on the governmental fund financial statements. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. For more pension and OPEB related information, see Notes 10 and 11.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

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

Cash and Investments

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

**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices. (If a quoted market price is not available, the methods and significant assumptions used to estimate the fair value of investments must be disclosed.) Non-participating investment contracts such as repurchase agreements and non-negotiable certificates of deposit are reported at cost.

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

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 is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transaction to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 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. During fiscal year 2021, \$65,874 was credited to the general fund, \$168,186 was credited to the building fund, and \$389 was credited to other governmental funds.

Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve as required by State statute.

	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set Aside Cash Balance as of June 30, 2020	\$0	\$180,645
Current Year Set-Aside Requirements	295,034	0
Qualified Disbursements	(1,128,419)	0
Current year Offsets	0	0
Set Aside Reserve Balance as of June 30, 2021	<u>(\$833,385)</u>	<u>\$180,645</u>
Set-Aside Cash as of June 30, 2021	<u>\$0</u>	<u>\$180,645</u>

Effective July 1, 2011, the textbook reserve requirement was eliminated; therefore, no balance or other information is presented.

Inventory

Inventory is stated at the lower of cost or market. Cost is determined on a first-in, first-out basis. Inventory consists of donated food, purchased food, and school supplies held for resale and are expensed when used.

**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2021 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and expenditure/expense is reported in the year in which services are consumed.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements but are not reported in the governmental fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of three thousand dollars. 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.

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

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>
Buildings and Improvements	20-50 years
Furniture and Equipment	5-15 years
Vehicles	8-10 years

Compensated Absences

GASB Statement No. 16 specifies that compensated absences should be accrued as they are earned by employees if both of the following conditions are met:

1. The employee's rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employee for the benefits through paid time off or cash payment.

The District's policies regarding compensated absences are determined by the state laws and/or negotiated agreements. In summary, the policies are as follows:

<u>Vacation</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How Earned	Not Eligible	25 days	10-20 days for each service year, depending on length of service

**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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Maximum Accumulation	Not Applicable	25 days	20 days
Vested	Not Applicable	25 days	20 days
Termination Entitlement	Not Applicable	Paid upon termination	Paid upon termination
<u>Sick Leave</u>			
How Earned	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)
Maximum Accumulation	230 days	Contract days	230 days
Vested	As Earned	As Earned	As Earned
Termination Entitlement	Per contract	Per contract	Per contract

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

Accrued Liabilities And Long-Term Obligations

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions 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 fiscal year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Pensions/Other Postemployment Benefits (OPEB)

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

**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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Net Position

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

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

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.

Unamortized Bond Issuance Costs/Bond Premium And Discount

On government-wide financial statements, bond issuance costs are recognized in the current period.

Bond premiums are deferred and amortized over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds.

On the governmental financial statements, issuance costs and bond premiums are recognized in the current period.

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. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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

**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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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. In the general fund, assigned amounts represent intended uses established by the School District Board of Education.

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

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

**Note 3 – Fund Balance/Net Position Deficit**

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The following individual funds had a deficit in fund balance at year end:

<u>Fund</u>	<u>Deficit</u>
Food Service	\$17,334
Chapter 1	278

The deficit in fund balances can be due to accruals in GAAP. The General Fund is liable for any deficit in these funds and will provide operating transfers when cash is required not when accruals occur.

**Note 4 - Equity in Pooled Cash and Investments**

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The District maintains a cash and investment pool used by all funds. Each fund type portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments".

State Statute requires the classification of monies held by the District into three categories:

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

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

**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
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Interim Monies – Interim deposits are deposits of interim monies. Interim monies are those monies that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including pass book accounts.

Interim monies held by the 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 obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
3. Written repurchase agreements in the securities listed above provided 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 requirements have been met.
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.
6. No-load money market mutual funds consisting exclusively of obligations described in division (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).
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.

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



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

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

**Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2021, \$6,538,851 of the District's bank balance of \$6,788,851 was exposed to custodial credit risk because it was uninsured and collateralized.

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

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

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

**Investments**

As of June 30, 2021, the District had the following investments:

	Fair Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Money Market Funds	\$3,388,879	N/A	0.00
Star Ohio	9,194,831	N/A	0.15
Federal Home Loan Bank	98,631	Level 2	4.33
Negotiable CDs	2,762,948	Level 2	2.09
Total Investments	<u>\$15,445,289</u>		
Portfolio Weighted Average Maturity			0.49

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the District's recurring fair value measurements as of June 30, 2021. As discussed further in Note 2, STAR Ohio is reported at its share price (Net Asset value per share). All other investments of the District are valued using quoted market prices.

**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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Interest Rate Risk - In accordance with the investment policy, the District manages its exposure to declines in fair value by limiting the maximum maturity of investments in its portfolio to five years.

Credit Risk – It is the District’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations. The District’s investments in STAR Ohio were rated AAAM by Standard & Poor’s. Federal Home Loan Bank was rated AA+ by Standard and Poor’s ratings and Aaa by Moody’s Investors Service. Money Market Funds and Negotiable CDs were not rated.

Concentration of Credit Risk – Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The District is required to disclose the amount of investments with any one issuer that represent five percent or more of total investments. Of the District’s total investments, 59% is in STAR Ohio, 1% is in Federal Home Loan Bank, 18% is in Negotiable CDs and 22% is in Money Market Funds.

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

**Note 5 - Property Taxes**

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Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at eighty-eight percent of true value (with certain exceptions) and on real property at thirty-five percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at twenty-five percent of true value (as defined). In 2015, each business was eligible to receive a \$10,000 exemption in assessed value, which was reimbursed by the State.

Real property taxes are payable annually or semi-annually. In 2021, if paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due June 20th.

The County Auditor remits portions of the taxes collected to all taxing Districts with periodic settlements of Real and Public Utility property taxes in February and August and Tangible Personal property taxes in June and October. The District records billed but uncollected property taxes as receivables at their estimated net realizable value.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes that are measurable at June 30, 2021. Property tax advances available at year end and delinquent property taxes collected within 60 days are included as a receivable and tax

**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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revenue as of June 30, 2021. All other tax receivables are recorded with an offset credit to deferred revenue, because although measurable, they are intended to finance the next fiscal year's operations. Property taxes include amounts levied against real, public utility and tangible personal (business) property.

The assessed value, by property classification, upon which taxes collected in 2021 were based are as follows:

	Amount
Tangible Personal Property	\$432,688,900
Real Property	10,184,830
Total	<u>\$442,873,730</u>

**Note 6 – Receivables**

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Receivables at June 30, 2021 consisted of taxes, accounts, interest, intergovernmental, and interfund. All receivables are considered collectible in full due to the ability to foreclose of the nonpayment of taxes, the stable condition of State Programs, and the current year guarantee of Federal Funds.

**Note 7 - Capital Assets**

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Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<b><i>Capital Assets, not being depreciated:</i></b>				
Land	\$1,158,482	\$0	\$0	\$1,158,482
Construction in Progress	27,679,026	14,462,750	0	42,141,776
<b><i>Capital Assets, being depreciated:</i></b>				
Buildings and Improvements	50,753,579	0	0	50,753,579
Equipment	1,655,806	57,191	9,000	1,703,997
Vehicles	90,164	30,391	0	120,555
Totals at Historical Cost	<u>81,337,057</u>	<u>14,550,332</u>	<u>9,000</u>	<u>95,878,389</u>
Less Accumulated Depreciation:				
Buildings and Improvements	14,426,897	1,006,751	0	15,433,648
Equipment	790,113	80,251	6,900	863,464
Vehicles	53,434	7,649	0	61,083
Total Accumulated Depreciation	<u>15,270,444</u>	<u>1,094,651</u>	<u>6,900</u>	<u>16,358,195</u>
Governmental Activities Capital Assets, Net	<u>\$66,066,613</u>	<u>\$13,455,681</u>	<u>\$2,100</u>	<u>\$79,520,194</u>

**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
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Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,071,072
Special	198
Support Services:	
Operations and Maintenance	1,658
Pupil Transportation	3,312
Operation of Non-Instructional Services	11,473
Extracurricular Activities	6,938
Total Depreciation Expense	<u><u>\$1,094,651</u></u>

**Note 8 – Capitalized Leases - Lessee**

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In prior years, the District has entered into capitalized leases for the acquisition of phone, office, musical and energy conservation equipment and building improvements. The terms of each equipment lease agreement provide options to purchase the equipment. The cost of equipment under capital lease at June 30, 2021 is \$985,668. The cost of building improvements under capital lease at June 30, 2021 is \$1,078,600. The cost of the computer capital lease at June 30, 2021 is \$807,207. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one that transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service in the basic financial statements for the governmental funds.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2021.

Fiscal Year Ending June 30	Amount
2022	\$382,137
2023	218,300
2024	163,309
2025	<u>70,520</u>
Total Minimum Lease Payments	834,266
Less: Amounts representing interest	<u>(46,270)</u>
Present Value of Minimum Lease Payments	<u><u>\$787,996</u></u>

**Note 9 - Long-Term Liabilities**

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In 2012, the District issued \$1,995,000 of certificates of participation. The purpose of the certificates was to provide general, ongoing permanent improvements consisting of building renovations, improvements and repair. The bond issue is a general obligation of the school district for which the full faith and credit of the school district is pledged for repayment.

**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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In 2011, the District issued \$39,800,000 of general obligation bonds. The purpose of the bonds was to provide general, ongoing permanent improvements consisting of building renovations, improvements and repair. The bond issue is a general obligation of the school district for which the full faith and credit of the school district is pledged for repayment.

In 2005, the District issued \$5,124,989 in general obligation refunding bonds to provide resources that were placed in an irrevocable trust for the purpose of providing resources for all future debt service payments of \$4,382,067 of general obligations bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position.

In 2019, the District issued \$42,980,000 in Port of Greater Cincinnati Development Authority Tax lease Revenue Bonds. The proceeds will be used to renovate and build a new educational wing at the high school. The lease will be paid in full in 2056.

**Refunding**

On July 16, 2019 the District issued \$27,569,816 in bonds with an interest rate between 2.00% and 5.00%, which was used to partially refund \$27,570,000 of the outstanding 2010 bonds with an interest rate between 5.90% and 6.55%. The net proceeds of \$27,569,816 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide all future debt service payments on the bond issues. As a result, \$27,570,000 of the 2010 bonds are considered to be defeased and the related liability for those bonds have been removed from the Statement of Net Position.

The District refunded 2010 bonds to reduce its total debt service payments by \$4,542,943 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$3,122,791.

The following changes occurred in long-term liabilities during the year ended June 30, 2021:

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**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

	Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
<b>Governmental Activities:</b>					
General Obligation Bonds:					
Certificate of Participation - 2012	\$1,250,000	\$0	(\$100,000)	\$1,150,000	\$100,000
Permanent Improvement Bonds - 2010 - BABs	55,000	0	(55,000)	0	0
Permanent Improvement Bonds - 2010 - QSCB	8,210,000	0	(775,000)	7,435,000	875,000
Refunding Bonds - 2015	2,920,000	0	(460,000)	2,460,000	470,000
Premium on Bonds - Series 2010	19,580	0	(19,580)	0	0
Premium on Refunding Bonds - Series 2015	167,302	0	(27,883)	139,419	0
Discount on Issuance - COP 2012	(8,175)	0	814	(7,361)	0
Lease Revenue Bonds - Series 2019	42,125,000	0	(520,000)	41,605,000	545,000
Premium on Bonds - Series 2019	1,173,414	0	(29,344)	1,144,070	0
Discount on Issuance - Series 2019	(575,451)	0	0	(575,451)	0
Refunding Bonds - Principal- 2019	27,285,000	0	(70,000)	27,215,000	225,000
Refunding Bonds - Premium - 2019	2,419,777	0	(2,589)	2,417,188	0
Discount on Issuance - 2019	(219,768)	0	0	(219,768)	0
Capital Appreciation - Principal - 2019	69,816	0	0	69,816	0
Capital Appreciation - Interest - 2019	20,151	31,877	0	52,028	0
Subtotal Bonds	84,911,646	31,877	(2,058,582)	82,884,941	2,215,000
Capital Leases	1,142,202	0	(354,206)	787,996	359,383
Compensated Absences	744,852	58,136	(285,266)	517,722	59,649
Subtotal Bonds & Other Amounts	86,798,700	90,013	(2,698,054)	84,190,659	2,634,032
Net Pension Liability:					
STRS	21,214,500	1,579,463	0	22,793,963	0
SERS	5,332,607	502,813	0	5,835,420	0
Subtotal Net Pension Liability	26,547,107	2,082,276	0	28,629,383	0
Net OPEB Liability:					
STRS	0	0	0	0	0
SERS	2,282,549	0	(341,029)	1,941,520	0
Subtotal Net OPEB Liability	2,282,549	0	(341,029)	1,941,520	0
Total Governmental Activities	\$115,628,356	\$2,172,289	(\$3,039,083)	\$114,761,562	\$2,634,032

Bonds will be paid from the Bond Retirement fund and the Permanent Improvement fund and capital leases and certificates of participation will be paid from the General Fund.

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from their service.

The following is a summary of the District's future annual debt service requirements to maturity for general obligation certificates/bonds:

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**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

Fiscal Year Ending June 30	General Obligation Bonds and Lease Revenue Bond			CAB Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$2,215,000	\$2,684,793	\$4,899,793	\$0	\$0	\$0
2023	2,285,000	2,639,995	4,924,995	0	0	0
2024	2,355,000	2,589,050	4,944,050	0	0	0
2025	2,705,000	2,531,959	5,236,959	0	0	0
2026	2,780,000	2,470,271	5,250,271	0	0	0
2027-2031	9,515,000	10,504,107	20,019,107	69,816	1,688,984	1,758,800
2032-2036	11,605,000	9,346,618	20,951,618	0	0	0
2037-2041	11,600,000	7,338,964	18,938,964	0	0	0
2042-2046	13,740,000	5,302,979	19,042,979	0	0	0
2047-2051	11,245,000	2,919,014	14,164,014	0	0	0
2052-2056	9,820,000	1,013,400	10,833,400	0	0	0
Total	<u>\$79,865,000</u>	<u>\$49,341,150</u>	<u>\$129,206,150</u>	<u>\$69,816</u>	<u>\$1,688,984</u>	<u>\$1,758,800</u>

**Note 10 - Defined Benefit Pension Plans**

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

**Net Pension Liability/Net OPEB Liability (Asset)**

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

The net pension/OPEB liability (asset) represent 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.

**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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

**Plan Description - School Employees Retirement System (SERS)**

**Plan Description**

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](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire 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. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent.

**Changes in Benefits between Measurement Date and the Fiscal Year End**

In September 2020, the Board of Trustees approved a 0.5 percent cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2021. The effects of these changes are unknown.

**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



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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, 2021, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2021, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was \$439,036 for fiscal year 2021. Of this amount \$52,182 is reported as accrued wages and benefits.

**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](http://www.strsoh.org).

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. 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 year of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, 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 fifty and after termination of employment.

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

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

**Funding Policy**

Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2021 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2021, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$1,580,088 for fiscal year 2021. Of this amount \$263,348 is reported as accrued wages and benefits.

**Net 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, 2020, 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>
Proportionate Share of the Net Pension Liability	\$5,835,420	\$22,793,963	\$28,629,383
Proportion of the Net Pension Liability:			
Current Measurement Date	0.08822550%	0.09420378%	
Prior Measurement Date	<u>0.08912670%</u>	<u>0.09593071%</u>	
Change in Proportionate Share	-0.00090120%	-0.00172693%	
Pension Expense	\$608,241	\$3,053,974	\$3,662,215

At June 30 2021, reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$11,335	\$51,144	\$62,479
Changes of assumptions	0	1,223,596	1,223,596
Net difference between projected and actual earnings on pension plan investments	370,431	1,108,472	1,478,903
Changes in employer proportionate share of net pension liability	0	310,893	310,893
Contributions subsequent to the measurement date	439,036	1,580,088	2,019,124
<b>Total Deferred Outflows of Resources</b>	<b>\$820,802</b>	<b>\$4,274,193</b>	<b>\$5,094,995</b>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$145,752	\$145,752
Changes in employer proportionate share of net pension liability	50,578	311,648	362,226
<b>Total Deferred Inflows of Resources</b>	<b>\$50,578</b>	<b>\$457,400</b>	<b>\$507,978</b>

\$2,019,124 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. 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
2022	(\$38,845)	\$775,995	\$737,150
2023	99,653	413,306	512,959
2024	154,404	614,875	769,279
2025	115,976	432,529	548,505
<b>Total</b>	<b>\$331,188</b>	<b>\$2,236,705</b>	<b>\$2,567,893</b>

**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.

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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, 2020, are presented below:

Inflation	3.00%
Future Salary Increases, including inflation	3.50% - 18.20%
COLA or Ad Hoc COLA	2.50%
Investment Rate of Return	7.50% net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 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, 2015.

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 rebalanced uncorrelated asset classes.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	1.85%
US Stocks	22.50%	5.75%
Non-US Stocks	22.50%	6.50%
Fixed Income	19.00%	2.85%
Private Equity	12.00%	7.60%
Real Assets	17.00%	6.60%
Multi-Asset Strategies	5.00%	6.65%
Total	100.00%	

**Discount Rate**

The total pension liability was calculated using the discount rate of 7.50 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 (7.50 percent). Based on those assumptions, the plan’s fiduciary net position was

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projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the 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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Proportionate share of the net pension liability	\$7,993,813	\$5,835,420	\$4,024,488

**Changes in Actuarial Assumptions between Measurement Date and the Fiscal Year End**

Based on a new experience study for the five years ending June 30, 2020, the SERS Board lowered the investment rate of return from 7.50 percent to 7.00 percent, lowered inflation from 3.00 percent to 2.40 percent, reduced wage inflation from 3.50 percent to 3.25 percent, reduced COLA from 2.50 percent to 2.00 percent, along with certain other changes for the actuarial valuation as of June 30, 2021. The effects of these changes are unknown.

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation are presented below:

Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Discount Rate of Return	7.45%
Payroll Increases	3.00%
Cost-of-Living Adjustments (COLA)	0%, effective July 1, 2017

Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality 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 July 1 2020, 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:

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

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

**Discount Rate**

The discount rate used to measure the total pension liability was 7.45 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, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
Proportionate share of the net pension liability	\$32,454,635	\$22,793,963	\$14,607,348

**Changes in Actuarial Assumptions between Measurement Date and the Fiscal Year End**

The STRS Board approved a change in the discount rate from 7.45 percent to 7.00 percent for the June 30, 2021 valuation. The effect on the net pension liability is unknown.

**Note 11 - Defined Benefit OPEB Plans**

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

**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. 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](http://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 2021, 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 2021, this amount was \$23,000. 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 2021, the School District's surcharge obligation was \$58,040.

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 \$58,040 for fiscal year 2021.

**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](http://www.strsoh.org) or by calling (888) 227-7877.

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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, 2021, STRS did not allocate any employer contributions to post-employment health care.

**Net OPEB Liabilities (Assets), OPEB Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The net OPEB liability (asset) was measured as of June 30, 2020, 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$1,941,520	\$0	\$1,941,520
Proportionate Share of the Net OPEB (Asset)	0	(1,655,631)	(1,655,631)
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.08933400%	0.09420378%	
Prior Measurement Date	<u>0.09076500%</u>	<u>0.09593071%</u>	
Change in Proportionate Share	-0.00143100%	-0.00172693%	
OPEB Expense	(\$35,265)	(\$90,120)	(\$125,385)

At June 30 2021, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$25,500	\$106,086	\$131,586
Changes of assumptions	330,962	27,330	358,292
Net difference between projected and actual earnings on OPEB plan investments	21,876	58,024	79,900
Changes in employer proportionate share of net OPEB liability	67,382	50,254	117,636
Contributions subsequent to the measurement date	<u>58,040</u>	<u>0</u>	<u>58,040</u>
Total Deferred Outflows of Resources	<u>\$503,760</u>	<u>\$241,694</u>	<u>\$745,454</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$987,399	\$329,778	\$1,317,177
Changes of assumptions	48,902	1,572,572	1,621,474
Changes in employer proportionate share of net OPEB liability	<u>46,865</u>	<u>13,445</u>	<u>60,310</u>
Total Deferred Inflows of Resources	<u>\$1,083,166</u>	<u>\$1,915,795</u>	<u>\$2,998,961</u>



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\$58,040 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year			
Ending June 30:	SERS	STRS	Total
2022	(\$121,674)	(\$419,206)	(\$540,880)
2023	(120,091)	(379,932)	(500,023)
2024	(120,349)	(366,154)	(486,503)
2025	(129,905)	(353,965)	(483,870)
2026	(106,955)	(74,438)	(181,393)
Thereafter	<u>(38,472)</u>	<u>(80,406)</u>	<u>(118,878)</u>
Total	<u>(\$637,446)</u>	<u>(\$1,674,101)</u>	<u>(\$2,311,547)</u>

**Actuarial Assumptions - SERS**

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2020, are presented below:

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Inflation	3.00%
Wage Increases	3.50% to 18.20%
Investment Rate of Return	7.50% net of investment expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	2.45%
Prior Measurement Date	3.13%
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Measurement Date	2.63%
Prior Measurement Date	3.22%
Medical Trend Assumption:	
Medicare	5.25% to 4.75%
Pre-Medicare	7.00% to 4.75%

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, 2015.

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 2010 through 2015, and was adopted by the Board on April 21, 2016. 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, 7.50 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 target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	1.85%
US Stocks	22.50%	5.75%
Non-US Stocks	22.50%	6.50%
Fixed Income	19.00%	2.85%
Private Equity	12.00%	7.60%
Real Assets	17.00%	6.60%
Multi-Asset Strategies	5.00%	6.65%
Total	100.00%	

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**Discount Rate**

The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63 percent. The discount rate used to measure total OPEB liability at June 30, 2019, was 3.22 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 state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024, and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45 percent, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

**Sensitivity of the 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 (1.63%) and higher (3.63%) than the current discount rate (2.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
Proportionate share of the net OPEB liability	\$2,376,372	\$1,941,250	\$1,595,813
	1% Decrease (6.00% decreasing to 3.75%)	Current Trend Rate (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
Proportionate share of the net OPEB liability	\$1,528,799	\$1,941,250	\$2,493,433

**Changes in Actuarial Assumptions between Measurement Date and the Fiscal Year End**

Based on a new experience study for the five years ending June 30, 2020, the SERS Board reduced the wage growth assumption from 3.50 percent to 3.25 percent and increased the health care rate of return from 5.25 percent to 7.00 percent. The effects of these changes are unknown.

**Actuarial Assumptions - STRS**

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

**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.45%, net of investment expenses, including inflation
Payroll Increases	3.00%
Discount Rate of Return	7.45%
Health Care Cost Trends:	
Medical	
Pre-Medicare	5.00% initial, 4% ultimate
Medicare	-6.69% initial, 4% ultimate
Prescription Drug	
Pre-Medicare	6.50% initial, 4% ultimate
Medicare	11.87% initial, 4% 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, 2020, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, 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.

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

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

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

**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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**Discount Rate**

The discount rate used to measure the total OPEB liability 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, 2020. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2020.

**Sensitivity of the 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, 2020, calculated using the current period discount rate assumption of 7.45 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 (6.45 percent) or one percentage point higher (8.45 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 (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Proportionate share of the net OPEB (asset)	(\$1,440,506)	(\$1,655,631)	(\$1,838,155)

	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB (asset)	(\$1,826,825)	(\$1,655,631)	(\$1,447,089)

**Note 12 - Contingent Liabilities**

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**School Foundation**

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 2021 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2021 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the District.

**Grants**

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2021.

**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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**Litigation**

Currently, no litigation is pending against the District.

**Note 13 - Jointly Governed Organizations**

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**HAMILTON CLERMONT COOPERATIVE INFORMATION TECHNOLOGY CENTER**

The Hamilton Clermont Cooperative Information Technology Center (HCC) is a governmental jointly governed organization among two county consortium of school districts. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports HCC based upon a per pupil charge dependent upon the software package utilized. HCC is governed by a Board of Directors consisting of the superintendents and treasurers of member school districts. The degree of control exercised by any participating school district is limited to its representation on the Board.

**GREAT OAKS CAREER CAMPUSES**

The Great Oaks Career Campuses (Great Oaks), a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the participating school district's elected board. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. Great Oaks was formed for the purpose of providing vocational education opportunities to the students of the member school districts, which includes the students of the District. The District has no ongoing financial interest in nor responsibility for Great Oaks. To obtain financial information, write to Great Oaks, at 3254 East Kemper Road, Cincinnati, Ohio 45241.

**GREATER CINCINNATI INSURANCE CONSORTIUM**

The District is a member of the Greater Cincinnati Insurance Consortium (GCIC) which is a group insurance consortium. The Consortium is a jointly governed organization with member governmental entities and provides a wide range of group insurance benefits to each member schools employees and dependents and designated beneficiaries. The purpose of the consortium is to establish and maintain a fund to provide and/or purchase health insurance, dental insurance, life insurance and other insurance benefits to employees, their dependents and designated beneficiaries. The consortium is governed by a Board of Directors made up from one representative of each school district/service center.

**Note 14 - Risk Management**

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The District maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicles and general liability insurance. Vehicle policies include liability coverage for bodily injury and property damage. Payments have not exceeded this coverage in any of the past three years. There has been no significant decline in coverage from the prior year.

**Note 15 – Fund Balances**

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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 resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

<b>Fund Balances</b>	<b>Other</b>			<b>Total</b>
	<b>General</b>	<b>Building Fund</b>	<b>Governmental Funds</b>	
Nonspendable on:				
Prepays	\$15,251	\$0	\$0	\$15,251
<b>Total Nonspendable</b>	<b>15,251</b>	<b>0</b>	<b>0</b>	<b>15,251</b>
Restricted for:				
Art Connection Grant	0	0	6,506	6,506
Instrumental Music	0	0	125,943	125,943
School Reading Incentive Award	0	0	8,173	8,173
Title III	0	0	2,126	2,126
Vending Machine	0	0	83,819	83,819
Title II-A	0	0	2,365	2,365
Miscellaneous Federal Grants	0	0	842	842
Student Activity	0	0	50,561	50,561
Scholarship	0	0	88,244	88,244
Bond Retirement	0	0	2,749,668	2,749,668
Permanent Improvement	0	0	1,677,288	1,677,288
Building	0	1,815,522	0	1,815,522
<b>Total Restricted</b>	<b>0</b>	<b>1,815,522</b>	<b>4,795,535</b>	<b>6,611,057</b>
Assigned to:				
Budgetary Resources	704,022	0	0	704,022
Encumbrances	320,206	0	0	320,206
<b>Total Assigned</b>	<b>1,024,228</b>	<b>0</b>	<b>0</b>	<b>1,024,228</b>
Unassigned (Deficit)	20,670,813	0	(17,612)	20,653,201
<b>Total Fund Balance</b>	<b>\$21,710,292</b>	<b>\$1,815,522</b>	<b>\$4,777,923</b>	<b>\$28,303,737</b>

**Note 16 - Interfund Transactions**

Interfund transactions at June 30, 2021, consisted of the following transfers in and out:

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$11,240	\$0	\$0	\$426,500
Other Governmental Funds	0	11,240	426,500	0
<b>Total All Funds</b>	<b>\$11,240</b>	<b>\$11,240</b>	<b>\$426,500</b>	<b>\$426,500</b>

Interfund balance/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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**Note 17 – Tax Abatements entered Into By Other Governments**

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Other governments entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) program with the taxing districts of the District. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing districts of the District, other municipalities have entered into such agreements. Under these agreements the District’s property taxes were reduced by approximately \$208,041. The District is not receiving any amounts from this other government in association with the forgone property tax revenue.

**Note 18 – Implementation of New Accounting Principles and Restatement of Net Position/Fund Balance**

**New Accounting Principles**

For fiscal year 2021, the School District implemented GASB Statement No. 84, Fiduciary Activities and related guidance from (GASB) Implementation Guide No. 2019-2, Fiduciary Activities, and GASB Statement No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and GASB Statements No. 61.

GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the School District will no longer be reporting agency funds. The School District reviewed its agency funds and certain funds will be reported in the new fiduciary fund classification of custodial funds, while other funds have been reclassified as governmental funds. If applicable, fund reclassifications resulted in the restatement of the School District’s financial statements.

GASB Statement No. 90 improves consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the District.

**Restatement of Fund Balance/Net Position**

The implementation of GASB 84 had the following effect on fund balance as reported at June 30, 2020:

	Other Governmental Funds
	<u>                    </u>
Fund Balance, June 30, 2020	\$2,620,290
Adjustments-Presentation Changes:	
GASB Statement No. 84	<u>141,709</u>
Restated Fund Balance, June 30, 2020	<u><u>\$2,761,999</u></u>



**Mariemont City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

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The implementation of the GASB 84 pronouncement had the following effect on the net position as reported at June 30, 2020:

	<u>Governmental Activities</u>
Net Position, June 30, 2020	(\$8,986,373)
Adjustments-Presentation Changes:	
GASB Statement No. 84	<u>141,709</u>
Restated Net Position, June 30, 2020	<u><u>(\$8,844,664)</u></u>

**Note 19 – COVID-19**

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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 2021, the District received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

**Note 20 – Subsequent Events**

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For fiscal year 2022, School District foundation funding received from the state of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school and scholarship funding will be directly funded by the State of Ohio to the respective schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the School District were funded to the School District who, in turn, made the payment to the respective school.

# **REQUIRED SUPPLEMENTARY INFORMATION**

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Mariemont City School District  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 School Employees Retirement System of Ohio  
 Last Eight Fiscal Years (1) (2)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.08822550%	\$5,835,420	\$3,093,486	188.64%	68.55%
2020	0.08912670%	5,332,607	3,050,481	174.81%	70.85%
2019	0.09079720%	5,200,124	2,948,385	176.37%	71.36%
2018	0.08599810%	5,138,197	2,846,900	180.48%	69.50%
2017	0.09112490%	6,669,502	2,830,000	235.67%	62.98%
2016	0.09186140%	5,241,701	3,534,090	148.32%	69.16%
2015	0.09213600%	4,662,951	2,704,329	172.43%	71.70%
2014	0.09213600%	5,480,674	3,118,439	175.75%	65.52%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Mariemont City School District  
 Required Supplementary Information  
 Schedule of the District's Contributions for Net Pension Liability  
 School Employees Retirement System of Ohio  
 Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2021	\$439,036	(\$439,036)	\$0	\$3,135,971	14.00%
2020	433,088	(433,088)	0	3,093,486	14.00%
2019	411,815	(411,815)	0	3,050,481	13.50%
2018	398,032	(398,032)	0	2,948,385	13.50%
2017	398,566	(398,566)	0	2,846,900	14.00%
2016	396,200	(396,200)	0	2,830,000	14.00%
2015	465,793	(465,793)	0	3,534,090	13.18%
2014	374,820	(374,820)	0	2,704,329	13.86%
2013	431,592	(431,592)	0	3,118,439	13.84%
2012	413,160	(413,160)	0	3,071,822	13.45%

See accompanying notes to the required supplementary information.

Mariemont City School District  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 State Teachers Retirement System of Ohio  
 Last Eight Fiscal Years (1) (2)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.09420378%	\$22,793,963	\$11,946,514	190.80%	75.48%
2020	0.09593071%	21,214,500	11,335,286	187.15%	77.40%
2019	0.09438653%	20,753,479	10,749,686	193.06%	77.30%
2018	0.09258323%	21,993,344	10,124,400	217.23%	75.30%
2017	0.09306456%	31,151,513	9,717,857	320.56%	66.80%
2016	0.09091043%	25,124,984	9,409,714	267.01%	72.10%
2015	0.09174238%	22,314,922	10,094,577	221.06%	74.70%
2014	0.09174238%	26,509,803	10,380,831	255.37%	69.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Mariemont City School District  
 Required Supplementary Information  
 Schedule of the District's Contributions for Net Pension Liability  
 State Teachers Retirement System of Ohio  
 Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2021	\$1,580,088	(\$1,580,088)	\$0	\$11,286,343	14.00%
2020	1,672,512	(1,672,512)	0	11,946,514	14.00%
2019	1,586,940	(1,586,940)	0	11,335,286	14.00%
2018	1,504,956	(1,504,956)	0	10,749,686	14.00%
2017	1,417,416	(1,417,416)	0	10,124,400	14.00%
2016	1,360,500	(1,360,500)	0	9,717,857	14.00%
2015	1,317,360	(1,317,360)	0	9,409,714	14.00%
2014	1,312,295	(1,312,295)	0	10,094,577	13.00%
2013	1,349,508	(1,349,508)	0	10,380,831	13.00%
2012	1,383,048	(1,383,048)	0	10,638,831	13.00%

See accompanying notes to the required supplementary information.

Mariemont City School District  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net OPEB Liability  
 School Employees Retirement System of Ohio  
 Last Five Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2021	0.08933400%	\$1,941,520	\$3,093,486	62.76%	18.17%
2020	0.09076500%	2,282,549	3,050,481	74.83%	15.57%
2019	0.09128700%	2,532,548	2,948,385	85.90%	13.57%
2018	0.08698680%	2,334,497	2,846,900	82.00%	12.46%
2017	0.09200178%	2,622,391	2,830,000	92.66%	11.49%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Mariemont City School District  
 Required Supplementary Information  
 Schedule of the District's Contributions for Net OPEB Liability  
 School Employees Retirement System of Ohio  
 Last Six Fiscal Years (1) (2)

Year	District's Contractually Required Contribution (2)	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2021	\$58,040	(\$58,040)	\$0	\$3,135,971	1.85%
2020	46,902	(46,902)	0	3,093,486	1.52%
2019	67,970	(67,970)	0	3,050,481	2.23%
2018	60,387	(60,387)	0	2,948,385	2.05%
2017	46,108	(46,108)	0	2,846,900	1.62%
2016	45,079	(45,079)	0	2,830,000	1.59%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

(2) Includes surcharge.

See accompanying notes to the required supplementary information.



Mariemont City School District  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net OPEB (Asset)/Liability  
 State Teachers Retirement System of Ohio  
 Last Five Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB (Asset)/Liability	District's Proportionate Share of the Net OPEB (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset)/Liability
2021	0.09420378%	(\$1,655,631)	\$11,946,514	(13.86%)	182.13%
2020	0.09593071%	(1,588,842)	11,335,286	(14.02%)	174.74%
2019	0.09438653%	(1,516,695)	10,749,686	(14.11%)	176.00%
2018	0.09258323%	3,612,246	10,124,400	35.68%	47.10%
2017	0.09306456%	4,977,117	9,717,857	51.22%	37.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Mariemont City School District  
 Required Supplementary Information  
 Schedule of the District's Contributions for Net OPEB (Asset)/Liability  
 State Teachers Retirement System of Ohio  
 Last Six Fiscal Years (1)

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2021	\$0	\$0	\$0	\$11,286,343	0.00%
2020	0	0	0	11,946,514	0.00%
2019	0	0	0	11,335,286	0.00%
2018	0	0	0	10,749,686	0.00%
2017	0	0	0	10,124,400	0.00%
2016	0	0	0	9,717,857	0.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

Mariemont City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$19,024,551	\$18,840,132	\$19,390,408	\$550,276
Tuition and Fees	74,380	73,659	75,810	2,151
Investment Earnings	66,521	65,876	67,800	1,924
Intergovernmental	4,915,763	4,868,111	5,010,297	142,186
Extracurricular Activities	44,620	44,187	45,478	1,291
Other Revenues	151,209	149,743	154,117	4,374
<b>Total Revenues</b>	<b>24,277,044</b>	<b>24,041,708</b>	<b>24,743,910</b>	<b>702,202</b>
Expenditures:				
Current:				
Instruction:				
Regular	12,002,349	12,189,367	12,177,450	11,917
Special	2,522,023	2,561,320	2,558,816	2,504
Other	246,520	250,361	250,116	245
Support Services:				
Pupil	1,628,349	1,653,722	1,652,105	1,617
Instructional Staff	1,246,978	1,266,408	1,265,170	1,238
General Administration	11,451	11,629	11,618	11
School Administration	1,873,769	1,902,965	1,901,105	1,860
Fiscal	632,737	642,596	641,968	628
Business	17,224	17,492	17,475	17
Operations and Maintenance	2,854,430	2,898,907	2,896,073	2,834
Pupil Transportation	955,092	969,974	969,026	948
Central	216,266	219,636	219,421	215
Extracurricular Activities	670,222	680,665	680,000	665
Capital Outlay	49,480	50,251	50,202	49
Debt Service:				
Principal Retirement	249,001	252,881	252,634	247
Interest and Fiscal Charges	60,029	60,965	60,905	60
<b>Total Expenditures</b>	<b>25,235,920</b>	<b>25,629,139</b>	<b>25,604,084</b>	<b>25,055</b>
Excess of Revenues Over (Under) Expenditures	(958,876)	(1,587,431)	(860,174)	727,257
Other Financing Sources (Uses):				
Transfers In	14,717	14,574	15,000	426
Transfers (Out)	(435,152)	(441,932)	(441,500)	432
<b>Total Other Financing Sources (Uses)</b>	<b>(420,435)</b>	<b>(427,358)</b>	<b>(426,500)</b>	<b>858</b>
Net Change in Fund Balance	(1,379,311)	(2,014,789)	(1,286,674)	728,115
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	16,282,061	16,282,061	16,282,061	0
<b>Fund Balance - End of Year</b>	<b>\$14,902,750</b>	<b>\$14,267,272</b>	<b>\$14,995,387</b>	<b>\$728,115</b>

See accompanying notes to the basic financial statements.

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**Mariemont City School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2021**

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**Note 1 – Budgetary Process**

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All funds, except custodial 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 which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Board. The legal level of control has been established by Board at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2021.

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

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

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 for all funds (budget basis) rather than as an assignment of fund balance for governmental fund types and expendable trust funds (GAAP basis).
4. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

**Mariemont City School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2021**

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

Net Change in Fund Balance	
	General
GAAP Basis	\$5,569,204
Revenue Accruals	(6,763,509)
Expenditure Accruals	549,601
Transfer In	15,000
Transfer (Out)	(15,000)
Encumbrances	(641,970)
Budget Basis	(\$1,286,674)

**Note 2 - Net Pension Liability**

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**School Employees Retirement System (SERS)**

**Changes in Benefit Terms:**

2020-2021: There were no changes in benefit terms from the amounts reported for this fiscal year.

2019: With the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2018: SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the change in the Consumer Price Index Index (CPI-W), with a cap of 2.5% and a floor of 0%.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

**Changes in Assumptions:**

2018-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2017: The following changes of assumptions affected the total pension liability since the prior measurement date:

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

**Mariemont City School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2021**

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retirement, and

(8) The discount rate was reduced from 7.75% to 7.50%.

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

**State Teachers Retirement System (STRS)**

**Changes in Benefit Terms:**

2019-2021: There were no changes in benefit terms from the amounts reported for these fiscal years.

2018: STRS decreased the Cost of Living Adjustment (COLA) to zero.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

**Changes in Assumptions:**

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2018: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The long term expected rate of return was reduced from 7.75% to 7.45%,
- (2) The inflation assumption was lowered from 2.75% to 2.50%,
- (3) The payroll growth assumption was lowered to 3.00%,
- (4) Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation,
- (5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
- (6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

**Note 3 - Net OPEB (Asset)/Liability**

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**School Employees Retirement System (SERS)**

**Changes in Benefit Terms:**

2017-2021: There were no changes in benefit terms from the amounts reported for these fiscal years.

**Changes in Assumptions:**

2021: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	3.22%
Measurement Date	2.63%

**Mariemont City School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2021**

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- (2) Municipal Bond Index Rate:
- |                        |       |
|------------------------|-------|
| Prior Measurement Date | 3.13% |
| Measurement Date       | 2.45% |
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
- |                        |       |
|------------------------|-------|
| Prior Measurement Date | 3.22% |
| Measurement Date       | 2.63% |

2020: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (4) Discount Rate:
- |                        |       |
|------------------------|-------|
| Prior Measurement Date | 3.70% |
| Measurement Date       | 3.22% |
- (5) Municipal Bond Index Rate:
- |                        |       |
|------------------------|-------|
| Prior Measurement Date | 3.62% |
| Measurement Date       | 3.13% |
- (6) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
- |                        |       |
|------------------------|-------|
| Prior Measurement Date | 3.70% |
| Measurement Date       | 3.22% |

2019: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (7) Discount Rate:
- |                        |       |
|------------------------|-------|
| Prior Measurement Date | 3.63% |
| Measurement Date       | 3.70% |
- (8) Municipal Bond Index Rate:
- |                        |       |
|------------------------|-------|
| Prior Measurement Date | 3.56% |
| Measurement Date       | 3.62% |
- (9) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
- |                        |       |
|------------------------|-------|
| Prior Measurement Date | 3.63% |
| Measurement Date       | 3.70% |

2018: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
- |                  |       |
|------------------|-------|
| Fiscal Year 2018 | 3.63% |
| Fiscal Year 2017 | 2.98% |
- (2) Municipal Bond Index Rate:
- |                  |       |
|------------------|-------|
| Fiscal Year 2018 | 3.56% |
| Fiscal Year 2017 | 2.92% |
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
- |                  |       |
|------------------|-------|
| Fiscal Year 2018 | 3.63% |
| Fiscal Year 2017 | 2.98% |

2017: The following changes of assumptions affected the total OPEB liability since the prior measurement date:



**Mariemont City School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2021**

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

**State Teachers Retirement System (STRS)**

**Changes in Benefit Terms:**

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

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% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive \$29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to \$0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

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 1, 2019.

2017: There were no changes in benefit terms from the amounts reported for this fiscal year.

**Mariemont City School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2021**

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**Changes in Assumptions:**

2021: There were changes in assumptions during the measurement year, which decreased the total OPEB liability by approximately \$0.26 billion. The assumption changes included changes in healthcare costs and trends.

2020: There were changes in assumptions during the measurement year, which increased the total OPEB liability by approximately \$0.04 billion. The assumption changes included changes in healthcare costs and trends.

2019: The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

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.

2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

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**MARIEMONT CITY SCHOOL DISTRICT  
HAMILTON COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through Ohio Department of Education:			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	3L60	\$16,485
Cash Assistance:			
COVID - 19 School Breakfast Program	10.553	3L70	11,512
School Breakfast Program	10.553	3L70	4,663
Total - School Breakfast Program			<u>16,175</u>
COVID - 19 National School Lunch Program	10.555	3L60	21,368
National School Lunch Program	10.555	3L60	54,724
Total - National School Lunch Program			<u>76,092</u>
Total Child Nutrition Cluster			<u>108,752</u>
Total U.S. Department of Agriculture			<u>108,752</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed Through Ohio Department of Education:			
Special Education Cluster:			
Special Education-Grants to States	84.027	3M20	352,878
Special Education-Preschool Grants	84.173	3C50	4,810
Total Special Education Cluster			<u>357,688</u>
Title I Grants to Local Educational Agencies	84.010	3M00	205,904
English Language Acquisition State Grants	84.365	3Y70	549
Supporting Effective Instruction State Grants	84.367	3Y60	42,787
Student Support and Academic Enrichment Program	84.424	3H10	12,285
COVID - 19 Elementary and Secondary School Emergency Relief Fund	84.425D	3HS0	220,160
Total U.S. Department of Education			<u>839,373</u>
<b>U.S. DEPARTMENT OF THE TREASURY</b>			
Passed Through Ohio Department of Education:			
COVID - 19 Coronavirus Relief Fund	21.019	5CV1	133,031
Passed Through Hamilton County, Ohio:			
COVID - 19 Coronavirus Relief Fund	21.019	N/A	80,800
Passed Through Village of Terrace Park, Ohio:			
COVID - 19 Coronavirus Relief Fund	21.019	N/A	30,000
Total Coronavirus Relief Fund			<u>243,831</u>
Total U.S. Department of the Treasury			<u>243,831</u>
Total Expenditures of Federal Awards			<u>\$1,191,956</u>

See accompanying notes to the schedule of expenditures of federal awards.

**MARIEMONT CITY SCHOOL DISTRICT  
HAMILTON COUNTY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Mariemont City School District (the District) under programs of the federal government for the year ended June 30, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

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

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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

# OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215  
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(800) 282-0370

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

Mariemont City School District  
Hamilton County  
2 Warrior Way  
Cincinnati, Ohio 45227

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mariemont City School District, Hamilton County, (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 22, 2022, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

### ***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio  
April 22, 2022

# OHIO AUDITOR OF STATE KEITH FABER



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

Mariemont City School District  
Hamilton County  
2 Warrior Way  
Cincinnati, Ohio 45227

To the Board of Education:

### ***Report on Compliance for Each Major Federal Program***

We have audited Mariemont City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Mariemont City School District's major federal programs for the year ended June 30, 2021. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

### ***Management's Responsibility***

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on the Major Federal Programs***

In our opinion, Mariemont City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended June 30, 2021.

**Report on Internal Control Over Compliance**

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio  
April 22, 2022



**MARIEMONT CITY SCHOOL DISTRICT  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2021**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	21.019 - Coronavirus Relief Fund 84.027, 84.173 - Special Education Cluster
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	No

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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None.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None.



# OHIO AUDITOR OF STATE KEITH FABER



**MARIEMONT CITY SCHOOL DISTRICT**

**HAMILTON 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 5/5/2022**

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](http://www.ohioauditor.gov)