REVERE LOCAL
SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2022

Zupka & Associates
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Members of the Board of Education
Revere Local School District
PO Box 340
Bath, OH 44210-0340

We have reviewed the *Independent Auditor's Report* of the Revere Local School District, Summit County, prepared by Zupka & Associates, for the audit period July 1, 2021 through June 30, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Revere Local School District is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

December 15, 2022

This page intentionally left blank.

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

This page intentionally left blank.

INDEPENDENT AUDITOR'S REPORT

Revere Local School District
Summit County
3496 Everett Road
Richfield, Ohio 44286

To the Members of the Board of Education:

Report on the Financial Statements

Opinions

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

In our opinion, the 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 Revere Local School District as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Emphasis of Matter

As discussed in Note 3 to the basic financial statements, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases.* As discussed in Note 19 to the basic financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension and Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

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

Zupka & Associates

Zupka & Associates
Certified Public Accountants

November 22, 2022

This page intentionally left blank.

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

Financial Highlights

Key financial highlights for 2022 are as follows:

- Net position increased $5,061,931 from 2021.
- Capital assets, net of depreciation/amortization decreased $2,217,718 during fiscal year 2022.
- During fiscal year 2022 outstanding debt decreased $2,269,355.
- An increase in depreciation/amortization expense and decrease in net pension/OPEB liability and related deferred inflows/outflows of resources decreased total instructional and support services expenses compared to fiscal year 2021.

Using the Financial Report

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 statement of net position and statement of activities 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 District has two major governmental funds: the general fund and bond retirement fund. The general fund is by far the most significant fund.

Reporting the District as a Whole

Statement of Net position and the Statement of Activities

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 2022?" The statement of net position and statement of activities answer this question. These statements include all non-fiduciary assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net position and statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, food service operations and extracurricular activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and the bond retirement fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal 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 statement of activities) and governmental funds is reconciled in the financial statements.

Proprietary Fund

The District maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for its vision insurance benefits. Because this service predominately benefits governmental functions, it has been included within the governmental activities in the government-wide financial statements.

Notes to the Basic Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the net pension liability, net OPEB liability/asset and contributions.

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for June 30, 2022 and June 30, 2021. The District restated net capital assets and long-term liabilities – other amounts as described in Note 3.B.

Net Position

	Governmental Activities	
	2022	2021
Assets		
Current assets	$ 65,401,344	$ 64,155,933
Net OPEB asset	3,021,933	2,562,795
Capital assets, net	88,614,223	90,831,941
Total assets	157,037,500	157,550,669
Deferred outflows of resources	11,262,316	10,007,204
Liabilities		
Current liabilities	5,051,779	6,274,985
Long-term liabilities:		
Due within one year	2,597,235	2,513,154
Due in more than one year:		
Net pension liability	23,590,325	44,576,465
Net OPEB liability	2,621,175	2,953,165
Other amounts	73,587,692	75,943,293
Total liabilities	107,448,206	132,261,062
Deferred inflows of resources	59,095,935	38,603,067
Net Position		
Net investment in capital assets	20,565,266	18,416,907
Restricted	4,565,471	4,351,705
Unrestricted (deficit)	(23,375,062)	(26,074,868)
Total net position	$ 1,755,675	$ (3,306,256)

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2022, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1,755,675. The net investment in capital assets at June 30, 2022 was $20,565,266. A portion of the District's net position, $4,565,471, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of $23,375,062.

At fiscal year-end, capital assets represented 56.43% of total assets, and decreased from the prior year due to recognizing a full year of depreciation expense on building and improvement additions added in fiscal year 2021. Capital assets include land, land improvements, buildings and improvements, and furniture and equipment, vehicles, and intangible right to use equipment. Capital assets are used to provide services to the students and are not available for future spending.

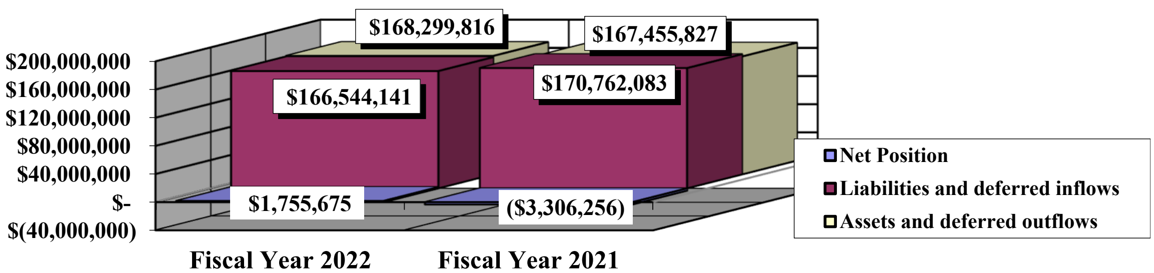
Total assets at fiscal year-end include a net OPEB asset reported by the State Teachers Retirement System (STRS). See Note 14 for more detail. See Notes 13 and Notes 14 for more detail on the deferred inflows of resources related to pension and OPEB, respectively.

Current liabilities decreased from contracts payable and retainage payable related to the construction project, which was completed in the prior year. At June 30, 2022, contracts payable and retainage payable was related to the Richfield Elementary parking lot and roof project. No new debt was issued during fiscal year 2022, which contributed to the decrease in long-term liabilities (excluding net pension and net OPEB).

The net pension liability decreased $20,986,140 and deferred inflows of resources related to pension increased $18,930,949. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Net investment income on investments at both pension systems exceeded estimates for the fiscal year 2021 measurement that are used for the fiscal year 2022 reporting which cause a large increase in fiduciary net position.

The chart below shows the District's governmental activities assets and deferred outflows, liabilities and deferred inflows and net position at June 30, 2022 and 2021.

Governmental - Net Position



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

Change in Net Position

	Governmental Activities 2022	Governmental Activities 2021
Revenues		
Program revenues:		
Charges for services and sales	$ 1,857,787	$ 1,362,107
Operating grants and contributions	3,665,848	2,768,029
Capital grants and contributions	880	54,489
Total program revenues	5,524,515	4,184,625
General revenues:		
Property taxes	36,587,805	36,135,634
Payments in lieu of taxes	604,998	646,122
Grants and entitlements - not restricted	5,785,207	6,065,164
Investment earnings	263,690	354,527
Change in fair value of investments	(978,166)	(281,550)
Miscellaneous	143,645	438,116
Total general revenues	42,407,179	43,358,013
Total revenues	47,931,694	47,542,638

- *(Continued)*

Change in Net Position - (Continued)

	Governmental Activities	
	2022	2021
Expenses		
Program expenses:		
Instruction:		
Regular	$ 16,760,662	$ 19,643,867
Special	5,072,365	5,829,771
Vocational	118,807	139,683
Other	110,398	173,765
Support services:		
Pupil	2,396,115	2,655,976
Instructional staff	2,302,420	2,460,133
Board of education	204,492	276,828
Administration	2,686,041	2,590,813
Fiscal	1,200,397	1,184,671
Business	16,557	60,035
Operations and maintenance	4,038,000	6,141,224
Pupil transportation	2,168,698	2,749,037
Central	303,762	580,244
Operation of non-instructional services		
Food service	1,192,226	1,334,205
Other non-instructional services	264,207	10,984
Extracurricular activities	1,380,959	1,606,959
Interest and fiscal charges	2,653,657	2,503,600
Total expenses	42,869,763	49,941,795
Changes in net position	5,061,931	(2,399,157)
Net position at beginning of year	(3,306,256)	(907,099)
Net position at end of year	$ 1,755,675	$ (3,306,256)

Governmental Activities

Net position of the District's governmental activities increased $5,061,931. This increase is primarily attributable to a decrease in expenses from the change in net pension/OPEB asset/liability and related deferred inflows/outflows of resources. In addition, the District completed its construction project during fiscal year 2021, and depreciation expense increased by $1.3 million compared to fiscal year 2021.

In the area of program revenues, operating grants and contributions increased, which is primarily attributable to Elementary and Secondary School Emergency (ESSER), IDEA, Part B, and Title I program funding and received during fiscal year 2022. In addition, the food service program was subsidized by additional federal subsidies during fiscal year 2022. Charges for services and sales increased during fiscal year 2022 due to building closures for COVID-19 that occurred during the fiscal year 2021 school year, which effected extracurricular activities. The food service program was subsidized by additional federal subsidies during fiscal year 2022. Capital grants and contributions decreased during fiscal year 2022, which represents investment earnings and contributions and donations restricted for capital improvements.

The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements. These revenue sources represent 88.40% of total governmental revenue. Property tax revenue increased $452,171 in fiscal year 2022. Real estate property is reappraised every six years. Property taxes collected and available to the District are reported as revenue. Unrestricted grants and entitlements, comprised of state foundation revenue and homestead and rollback revenue, decreased slightly during fiscal year 2022.

The decrease in earnings on investments is due to lower interest rates and fewer investments compared to the prior fiscal year. Miscellaneous general revenue decreased from less refunds and reimbursements.

Overall, expenses of the governmental activities decreased $7,072,032 or 14.16%. This decrease is primarily the result of a decrease in pension expense. Pension expense decreased approximately $5,659,463. This decrease was the result of a decrease in expenses incurred at the pension system level for STRS and SERS due to an increase in net investment income on investments compared to previous years.

The largest expense of the District is for instructional programs. Instruction expenses totaled $22,062,232 or 51.46% of total governmental expenses for fiscal year 2022.

The statement of activities shows the cost of program services and the charges for services and sales and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2022 and 2021. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

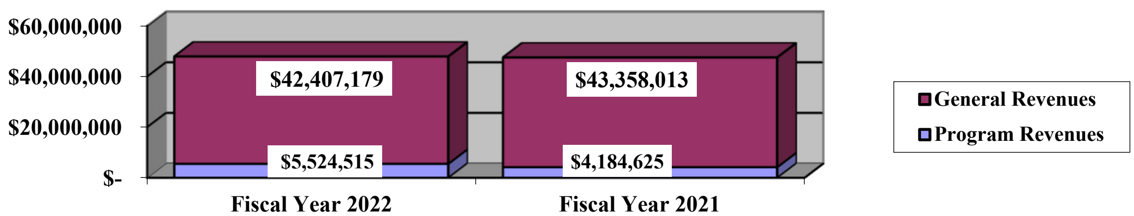
Governmental Activities

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Program expenses:				
Instruction:				
Regular	$ 16,760,662	$ 15,714,819	$ 19,643,867	$ 18,896,757
Special	5,072,365	4,355,989	5,829,771	5,251,564
Vocational	118,807	118,677	139,683	139,683
Other	110,398	6,407	173,765	52,795
Support services:				
Pupil	2,396,115	2,099,693	2,655,976	2,282,420
Instructional staff	2,302,420	2,153,560	2,460,133	2,190,588
Board of Education	204,492	204,492	276,828	276,828
Administration	2,686,041	2,633,542	2,590,813	2,515,696
Fiscal	1,200,397	1,200,397	1,184,671	1,184,671
Business	16,557	16,557	60,035	60,035
Operations and maintenance	4,038,000	3,917,858	6,141,224	5,745,519
Pupil transportation	2,168,698	1,960,930	2,749,037	2,708,246
Central	303,762	303,762	580,244	475,230
Operation of non-instructional services				
Food service operations	1,192,226	(784,726)	1,334,205	190,486
Other non-instructional services	264,207	(802)	10,984	-
Extracurricular activities	1,380,959	790,436	1,606,959	1,283,052
Interest and fiscal charges	2,653,657	2,653,657	2,503,600	2,503,600
Total expenses	$ 42,869,763	$ 37,345,248	$ 49,941,795	$ 45,757,170

The dependence upon tax revenues during fiscal year 2022 for governmental activities is apparent, as 91.54% of fiscal year 2022 instructional activities are supported through taxes and other general revenues. The District's taxpayers and unrestricted grants and entitlements from the State, are by far the primary support for District's students.

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

Governmental Activities - General and Program Revenues



The District's Governmental Funds

The District's governmental funds reported a combined fund balance of $25,730,031, which is above last fiscal year's total of $24,493,330. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2022 and 2021.

	Fund Balance June 30, 2022	Fund Balance June 30, 2021	Change
General	$ 18,513,842	$ 20,739,130	$ (2,225,288)
Bond Retirement	4,499,701	3,635,716	863,985
Other Governmental	2,716,488	118,484	2,598,004
Total	$ 25,730,031	$ 24,493,330	$ 1,236,701

General Fund

The District's general fund balance decreased $2,225,288 or 10.73% during fiscal year 2022. The following table assists in illustrating the revenues of the general fund.

	2022 Amount	2021 Amount	Percentage Change
Revenues			
Property taxes	$ 31,117,495	$ 30,574,717	1.78 %
Intergovernmental	5,701,902	5,944,343	(4.08) %
Other revenues	1,063,534	2,016,043	(47.25) %
Total	$ 37,882,931	$ 38,535,103	(1.69) %

Property taxes increased slightly due to increased collections and fluctuations in the amount available for advance at June 30, 2022 from Summit County. The District received less in State foundation funding during fiscal year 2022. Other revenues decreased from fiscal year 2021, primarily in investment earnings/change in fair value of investments as lower interest rates resulted in a significant decrease in revenue in fiscal year 2022.

The table that follows assists in illustrating the expenditures of the general fund.

	2022 Amount	2021 Amount	Percentage Change
Expenditures			
Instruction	$ 22,042,554	$ 22,445,598	(1.80) %
Support services	15,054,670	14,216,582	5.90 %
Extracurricular activities	939,529	1,080,422	(13.04) %
Facilities acquisition and construction	12,375	136,152	(90.91) %
Debt service	231,811	169,494	36.77 %
Total	$ 38,280,939	$ 38,048,248	0.61 %

Fiscal year 2022 instruction and support services expenditures were comparable to fiscal year 2021. Extracurricular activities decreased 13.04% in fiscal year 2022. Debt service expenditures increased from the debt service payments for the HVAC purchase agreement note being made from the general fund.

Bond Retirement Fund

The bond retirement fund had $5,223,994 in revenues and $4,360,009 in expenditures during fiscal year 2022. The fund balance increased $863,985 as a result of property tax and homestead and rollback revenues exceeding debt service payments during fiscal year 2022.

General Fund Budgeting Highlights

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

During the course of fiscal year 2022, the District amended its general fund budget several times. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. For the general fund, original budgeted revenues and other financing sources were $38,566,414. Actual revenues and other financing sources of $39,383,284 were $409,377 more than final budgeted revenues of $38,973,907. There were no significant modifications for budgeted revenues.

General fund original appropriations (appropriated expenditures plus other financing uses) were $42,353,498 and final appropriations were $41,425,457. The actual budget basis expenditures and other financing uses for fiscal year 2022 totaled $40,634,804, which was $790,653 less than the final budget appropriations. This positive variance is due to a tight control over expenditures and the District's salaries and fringe benefits proving to be lower than anticipated. There were no significant modifications for appropriations.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2022, The District had $88,614,223 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use equipment. The capital assets at June 30, 2021 have been restated as described in Note 3.A and Note 9.

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

Capital Assets at June 30
(Net of Depreciation/Amortization)

	Governmental Activities	
	2022	(Restated) 2021
Land	$ 1,312,709	$ 1,312,709
Construction in progress	406,510	-
Land improvements	1,725,437	1,921,359
Buildings and improvements	83,172,784	85,657,213
Furniture and equipment	681,537	532,321
Vehicles	1,274,428	1,306,293
Intangible right to use - leased equipment	40,818	102,046
Total	$ 88,614,223	$ 90,831,941

The District had net additions of $898,759 and depreciation/amortization expense of $3,116,477 in fiscal year 2022. Net disposals of buildings and improvements and furniture and equipment was $-0-.

See Note 9 to the basic financial statements for detail on the District's capital assets.

Debt Administration

At June 30, 2022 the District had $73,497,760 in debt outstanding, of which $2,384,897 is due within one year and $71,112,563 is due in greater than one year. Long-term obligations at June 30, 2021 have been restated as described in Note 3.A and Note 10 due to the implementation of GASB Statement No. 87. The following table summarizes the District's debt obligations outstanding.

Outstanding Debt, at Year End

	Governmental Activities	
	2022	(Restated) 2021
General obligation bonds	$ 62,955,206	$ 64,035,464
Energy conservation improvement bonds	3,225,768	3,225,768
Tax anticipation notes	5,790,000	6,445,000
HVAC equipment note	1,129,055	1,252,941
Apple financing service note	356,274	705,596
Lease payable	41,157	102,046
Total	$ 73,497,460	$ 75,766,815

See Note 10 to the basic financial statements for detail on the District's debt administration.

Current Financial Related Activities

The District's students continue to achieve at the highest levels academically which is our primary mission. These results are clearly derived from the combined effort of our students, staff, parental support and the community. The students come prepared to learn, the staff is highly qualified and the parents, along with the community, support education.

As stewards of public dollars, the District's fiscal policy continues to be that of doing more with less by finding creative ways to reduce or contain costs. We have worked to address all expenditures within our control. Some of the key steps taken in this regard include the formation of a health care consortium, implementing a severance incentive plan designed to reduce salary costs, applying technology to reduce operating costs, increasing participation in buying consortiums and exploring opportunities to apply the concept of shared services. In regard to shared services, we have successfully partnered on a wide range of services with our information technology center, NEOnet, including telephony and virtualization of servers. Both of these examples have reduced equipment acquisition, operating costs and maintenance costs.

Since fiscal year 2011 the Board has worked to address the growth of salaries since staffing related costs, including benefits, are the single largest component of the General Fund budget. For fiscal year 2020 salaries and benefits were 80 percent of expenditures. The District has successfully addressed salary related costs through its hiring practices, the introduction of a severance incentive program through union negotiations, and by taking advantage of the changes to the State's retirement system which incentivized tenured teachers to retire or accept less attractive retirement terms. With these strategies salaries were close to flat-lined for 7 fiscal years, fiscal year 2009 through fiscal year 2015. Salaries increased slightly less than 1.4% from fiscal year 2018 to fiscal year 2019 and increased 3.35% from fiscal year 2019 to fiscal year 2020. The increase from fiscal year 2020 to fiscal year 2021 was 0.84%, followed by an increase of 3.55% in fiscal year 2022.

Under the longstanding funding model in the State of Ohio, the District has been penalized based on high, local property values as measured on a per pupil basis. We have traditionally been defined as a "zero percent" State share district and received State funding on a reduced basis under a formula involving what is called the Funding Guarantee. In other words, we do not receive state funding on a per pupil basis in the amount approved by the legislature. This payment under the funding guarantee was capped at a fixed amount and this was put in place to prevent a total loss of funding based on property values which is a key component of the funding formula. The new State funding formula for fiscal year 2022, Fair School Funding Plan, continues the guaranteed funding status for the District, albeit with a different formula based on average costs for various expenditure categories.

The District's valuation per pupil is significantly above the State average and this drives the term "High Wealth District." The assessed property value for taxes paid in calendar year 2022, the most recent property evaluation number, is $1.170 billion, an increase of 0.5% from $1.164 billion in 2021. For fiscal year 2020, our valuation per pupil is $420,201 compared to the State average of $184,385.

The Revere School System continues to receive its primary support from the residents of the District through local property taxes. In reviewing the District's ballot activity over the past 15 years, new money was passed by the residents of the District in August 2001. This levy was in the amount of 6.9 mills, for a fixed term, under a five year emergency levy. That levy generated $4.6 million annually. As an emergency levy, the annual collection remains flat and does not grow as new value is added through new construction. This emergency levy has been since been renewed 3 times. The last renewal of this levy, with no new taxes, was again before the voters in calendar year 2016 and passed with strong support. Note the levy term was changed to 10 years to reduce ballot related costs and to prevent two levies from coming due in the same year.

Based on the five year forecast, the District had identified the need for new money and weighed that need against the fact that the school system had not previously gone back to the community with a request for new operating money for ten years. Driving this request was the loss of significant State funding, slowed property growth and reduction in property tax values, the expansion of vouchers and charter schools, and inflationary growth impacting the annual budget. The District was therefore on the ballot for a new 10 year emergency levy with a collection in the amount of $4.76 million annually. This levy equated to 4.83 mills and was supported by our voters in May 2011.

As noted above, the District has been able to stretch out its levy cycle, the time span between requests for new money, to ten years which is unprecedented based upon the school funding model in Ohio. This was accomplished through effective fiscal management as well as growth in the District's property tax base. The stated goal of the Board of Education is to stretch the levy cycle as long as possible. The Board of Education voted to place a substitute levy on the November 2019 ballot, which the residents passed, to combine these two emergency levies into one continuing levy for ongoing operational expenditures. The substitute levy offers no new taxes to property owners, and will not require approvals to renew the two emergency levies in future years, thus reducing voter fatigue and election expenses.

In the 2012-2013 school year, all-day kindergarten was implemented with 4 classes on a full day schedule. Under current Ohio law, all-day kindergarten is not required, but remains a local decision. The option of all-day kindergarten has continued to grow in enrollment and for the fiscal year 2021-2022 school year we operated 9 all-day kindergarten classes.

With House Bill 920 (passed in 1976), current levies do not provide inflationary revenue growth as valuation increases, with the exception of the un-voted, inside millage. New construction does represent new value and new revenue, as those properties come onto the tax duplicate. As an example of HB 920, a homeowner with a home valued at $100,000 with an assessed value of $35,000 and taxed at 1.0 mill would pay $35.00 annually in taxes. If three years later the home was reappraised and the home's market value increased to $200,000 with an assessed value of $70,000 (assuming 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. As a District heavily dependent upon property taxes and related growth trends, we are hampered by a lack of revenue growth yet faced with annual increases in costs that cannot be entirely controlled (health care, utilities, instructional supplies, upkeep of facilities and fuel costs). Property taxes continue to make up 76.38 percent of revenues for the general fund in fiscal year 2022. Within the framework of both short range and long-range planning, management has diligently worked to control expenses and reduce costs where possible.

The District also collaborated with five other schools to form a health care consortium to control medical costs and implemented an aggressive wellness plan aimed at decreasing utilization. The ability to control costs is made increasingly difficult with mandates in gifted education, testing, curriculum changes, rising utility costs, increased special education services required for our students and national health care trends. Due to the success of the consortium, another district joined during fiscal year 2020, followed by a second one in fiscal year 2022.

From a State funding perspective, the State of Ohio was found by the Ohio Supreme Court in March of 1997 and in three subsequent rulings to be operating an unconstitutional education system, one that was neither "adequate" nor "equitable." Although some recent changes have been made in school funding, it is still being asked whether or not the State has met the directives mandated by the Ohio Supreme Court. The number of school systems which must go on the ballot as their sole means of increasing revenue grows each year, which is symptomatic of the root problems in school funding in Ohio.

All scenarios require district management and school boards to plan carefully and prudently to provide the resources to meet student needs over the upcoming years. Decisions cannot be made by looking only at the impact to the current years financial forecast but must be projected forward on a long-term basis to fully understand the impact and feasibility of current fiscal strategies.

The District is fortunate that its systems of budgeting and internal controls are well regarded and embraced by the Board of Education, its administrative team and staff. All of the District's financial abilities and resources will be needed to meet the challenges of the future for the benefit of our students.

Lastly, the District has invested significant resources in new facilities by building a new Bath Elementary School, Revere High School, and transportation facility. The High School and transportation facility opened in fiscal year 2021. Renovations to add air conditioning, replace outdated lighting with LED fixtures and replace drop ceilings at Richfield Elementary School and Revere Middle School were part of the facility upgrades that occurred. The Richfield Elementary renovations were completed in fiscal year 2020, and the middle school renovations were completed in fiscal year 2021. This investment of approximately $86 million will be a significant enhancement to the student learning environment and will offset future repair expenditures from the new infrastructure.

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 the money it receives. If you have any questions about this report or need additional financial information, contact Rick Berdine, Treasurer of Revere Local School District, P.O. Box 340, Bath, OH 44210 or rberdine@revereschools.org.

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
Assets:	
Equity in pooled cash and investments	$ 24,324,998
Cash and cash equivalents with trustee	2,251,082
Receivables:	
Property taxes	37,575,741
Payment in lieu of taxes	575,000
Accounts	30,484
Accrued interest	25,409
Intergovernmental	581,888
Prepayments	36,742
Net OPEB asset	3,021,933
Capital assets:	
Nondepreciable/amortized capital assets	1,719,219
Depreciable/amortized capital assets, net	86,895,004
Capital assets, net	88,614,223
Total assets	157,037,500
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	1,134,012
Pension	9,217,556
OPEB	910,748
Total deferred outflows of resources	11,262,316
Liabilities:	
Accounts payable	204,409
Contracts payable	352,976
Retainage payable	64,519
Accrued wages and benefits payable	3,394,747
Matured compensated absences payable	138,622
Intergovernmental payable	657,069
Accrued interest payable	238,197
Claims payable	1,240
Long-term liabilities:	
Due within one year	2,597,235
Due in more than one year:	
Net pension liability	23,590,325
Net OPEB liability	2,621,175
Other amounts due in more than one year	73,587,692
Total liabilities	107,448,206
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	33,897,825
Payment in lieu of taxes levied for the next fiscal year	575,000
Pension	19,465,253
OPEB	5,157,857
Total deferred inflows of resources	59,095,935
Net position:	
Net investment in capital assets	20,565,266
Restricted for:	
Debt service	3,158,767
State funded programs	16,249
Federally funded programs	125,113
Food service operations	788,450
Extracurricular activities	360,141
Other purposes	116,751
Unrestricted (deficit)	(23,375,062)
Total net position	$ 1,755,675

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges Sales and Services	Operating Grants, Contributions and Interest	Capital Grants Contributions and Interest	Governmental Activities
Governmental activities:					
Instruction:					
Regular	$ 16,760,662	$ 761,873	$ 283,090	$ 880	$ (15,714,819)
Special	5,072,365	100,194	616,182	-	(4,355,989)
Vocational	118,807	-	130	-	(118,677)
Other	110,398	-	103,991	-	(6,407)
Support services:					
Pupil	2,396,115	-	296,422	-	(2,099,693)
Instructional staff	2,302,420	-	148,860	-	(2,153,560)
Board of education	204,492	-	-	-	(204,492)
Administration	2,686,041	-	52,499	-	(2,633,542)
Fiscal	1,200,397	-	-	-	(1,200,397)
Business	16,557	-	-	-	(16,557)
Operations and maintenance	4,038,000	90,478	29,664	-	(3,917,858)
Pupil transportation	2,168,698	-	207,768	-	(1,960,930)
Central	303,762	-	-	-	(303,762)
Operation of non-instructional services:					
Food service operations	1,192,226	374,868	1,602,084	-	784,726
Other non-instructional services	264,207	-	265,009	-	802
Extracurricular activities	1,380,959	530,374	60,149	-	(790,436)
Interest and fiscal charges	2,653,657	-	-	-	(2,653,657)
Totals	$ 42,869,763	$ 1,857,787	$ 3,665,848	$ 880	(37,345,248)

General revenues:	
Property taxes levied for:	
General purposes	31,032,578
Debt service	5,019,688
Capital outlay	535,539
Payments in lieu of taxes	604,998
Grants and entitlements not restricted to specific programs	5,785,207
Investment earnings	263,690
Change in fair value of investments	(978,166)
Miscellaneous	143,645
Total general revenues	42,407,179
Change in net position	5,061,931
Net position (deficit) at beginning of year	(3,306,256)
Net position at end of year	$ 1,755,675

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	$ 17,022,420	$ 4,131,728	$ 3,170,850	$ 24,324,998
Cash and cash equivalents with trustee	2,251,082	-	-	2,251,082
Receivables:				
Property taxes	31,883,861	4,291,399	1,400,481	37,575,741
Payment in lieu of taxes	575,000	-	-	575,000
Accounts	9,597	-	20,887	30,484
Accrued interest	25,409	-	-	25,409
Interfund loans	616,698	-	-	616,698
Intergovernmental	32,136	-	549,752	581,888
Prepayments	36,123	-	619	36,742
Total assets	$ 52,452,326	$ 8,423,127	$ 5,142,589	$ 66,018,042
Liabilities:				
Accounts payable	$ 138,185	$ -	$ 66,224	$ 204,409
Contracts payable	174,744	-	178,232	352,976
Retainage payable	15,195	-	49,324	64,519
Accrued wages and benefits payable	3,274,193	-	120,554	3,394,747
Matured compensated absences payable	125,718	-	12,904	138,622
Intergovernmental payable	643,065	-	14,004	657,069
Interfund loans payable	-	-	600,530	600,530
Total liabilities	4,371,100	-	1,041,772	5,412,872
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	28,741,957	3,896,733	1,259,135	33,897,825
Payment in lieu of taxes levied for the next fiscal year	575,000	-	-	575,000
Delinquent property tax revenue not available	214,215	26,693	9,572	250,480
Intergovernmental revenue not available	21,844	-	115,622	137,466
Accrued interest not available	14,368	-	-	14,368
Total deferred inflows of resources	29,567,384	3,923,426	1,384,329	34,875,139
Fund balances:				
Nonspendable:				
Prepaids	36,123	-	619	36,742
Unclaimed monies	25,755	-	-	25,755
Restricted:				
Debt service	2,251,082	4,499,701	-	6,750,783
Food service operations	-	-	804,009	804,009
State funded programs	-	-	16,249	16,249
Federally funded programs	-	-	22,302	22,302
Extracurricular	-	-	360,141	360,141
Other purposes	-	-	90,996	90,996
Committed:				
Capital improvements	-	-	1,434,345	1,434,345
Assigned:				
Student instruction	90,007	-	-	90,007
Student and staff support	478,301	-	-	478,301
Extracurricular activities	1,501	-	-	1,501
Subsequent year appropriations	1,981,166	-	-	1,981,166
Unassigned (deficit)	13,649,907	-	(12,173)	13,637,734
Total fund balances	18,513,842	4,499,701	2,716,488	25,730,031
Total liabilities, deferred inflows and fund balances	$ 52,452,326	$ 8,423,127	$ 5,142,589	$ 66,018,042

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

Total governmental fund balances		$ 25,730,031
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		88,614,223
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 250,480	
Accrued interest receivable	14,368	
Intergovernmental receivable	137,466	
Total		402,314
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities on the statement of net position.		(17,408)
Unamortized amounts on refundings are not recognized in the funds		1,134,012
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(238,197)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	9,217,556	
Deferred inflows - pension	(19,465,253)	
Net pension liability	(23,590,325)	
Deferred outflows - OPEB	910,748	
Deferred inflows - OPEB	(5,157,857)	
Net OPEB asset	3,021,933	
Net OPEB liability	(2,621,175)	
Total		(37,684,373)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(58,585,281)	
Unamortized bond premium	(4,689,130)	
Unamortized bond discount	319,205	
Energy conservation improvement bonds	(3,225,768)	
Tax anticipation notes	(5,790,000)	
Direct borrowing note	(1,129,055)	
Direct financing note	(356,274)	
Lease payable	(41,157)	
Compensated absences	(2,687,467)	
Total		(76,184,927)
Net position of governmental activities		$ 1,755,675

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

	General	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 31,117,495	$ 5,031,002	$ 539,478	$ 36,687,975
Intergovernmental	5,701,902	192,992	3,224,886	9,119,780
Investment earnings	270,632	-	6,960	277,592
Tuition and fees	862,067	-	-	862,067
Extracurricular	69,880	-	460,494	530,374
Rental income	90,478	-	-	90,478
Charges for services	-	-	374,868	374,868
Contributions and donations	16,133	-	55,561	71,694
Payment in lieu of taxes	604,998	-	-	604,998
Miscellaneous	127,512	-	168,315	295,827
Change in fair value of investments	(978,166)	-	-	(978,166)
Total revenues	37,882,931	5,223,994	4,830,562	47,937,487
Expenditures:				
Current:				
Instruction:				
Regular	17,067,501	-	298,802	17,366,303
Special	4,831,621	-	404,351	5,235,972
Vocational	122,226	-	-	122,226
Other	21,206	-	93,619	114,825
Support services:				
Pupil	2,288,803	-	194,459	2,483,262
Instructional staff	2,014,506	-	325,078	2,339,584
Board of education	205,088	-	-	205,088
Administration	2,757,840	-	45,000	2,802,840
Fiscal	1,129,477	64,905	21,106	1,215,488
Business	23,195	-	-	23,195
Operations and maintenance	4,264,695	-	79,375	4,344,070
Pupil transportation	2,055,356	-	329,856	2,385,212
Central	315,710	-	-	315,710
Operation of non-instructional services:				
Food service operations	-	-	1,207,496	1,207,496
Other non-instructional services	-	-	264,207	264,207
Extracurricular activities	939,529	-	432,026	1,371,555
Facilities acquisition and construction	12,375	-	1,100	13,475
Debt service:				
Principal retirement	184,775	1,626,786	349,322	2,160,883
Interest and fiscal charges	47,036	2,505,104	14,041	2,566,181
Accretion of capital appreciation bonds	-	163,214	-	163,214
Total expenditures	38,280,939	4,360,009	4,059,838	46,700,786
Excess of revenues over (under) expenditures	(398,008)	863,985	770,724	1,236,701
Other financing sources (uses):				
Transfers in	-	-	1,827,280	1,827,280
Transfers (out)	(1,827,280)	-	-	(1,827,280)
Total other financing sources (uses)	(1,827,280)	-	1,827,280	-
Net change in fund balances	(2,225,288)	863,985	2,598,004	1,236,701
Fund balances at beginning of year	20,739,130	3,635,716	118,484	24,493,330
Fund balances at end of year	$ 18,513,842	$ 4,499,701	$ 2,716,488	$ 25,730,031

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

Net change in fund balances - total governmental funds		$ 1,236,701
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital asset additions	$ 898,759	
Current year depreciation/amortization	(3,116,477)	
Total		(2,217,718)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(100,170)	
Earnings on investments	(6,942)	
Intergovernmental	103,947	
Total		(3,165)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduce long-term liabilities on the statement of net position		
General obligation bonds	971,786	
Accreted interest on capital appreciation bonds	163,214	
Tax anticipation notes	655,000	
Direct borrowing note	123,886	
Direct financing note	349,322	
Lease payable	60,889	
Total		2,324,097
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmenta funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities		
Decrease in accrued interest payable	15,522	
Accreted interest on capital appreciation bonds	(427,078)	
Amortization of bond premiums	385,919	
Amortization of bond discounts	(13,583)	
Amortization of deferred charges	(48,256)	
Total		(87,476)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	3,255,071	
OPEB	84,789	
Total		3,339,860
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	209,551	
OPEB	267,678	
Total		477,229
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		2,165
An internal service fund used by management to charge the costs of insurance to individual individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		(9,762)
Change in net position of governmental activities		$ 5,061,931

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues and other financing sources	$ 38,566,414	$ 38,973,907	$ 39,383,284	$ 409,377
Expenditures and other financing uses	42,353,498	41,425,457	40,634,804	790,653
Net change in fund balance	(3,787,084)	(2,451,550)	(1,251,520)	1,200,030
Fund balance at beginning of year	18,273,237	18,273,237	18,273,237	-
Prior year encumbrances appropriated	312,979	312,979	312,979	-
Fund balance at end of year	$ 14,799,132	$ 16,134,666	$ 17,334,696	$ 1,200,030

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022

	Governmental Activities - Internal Service Fund
Liabilities:	
Current liabilities:	
Interfund loan payable	$ 16,168
Claims payable	1,240
Total current liabilities	17,408
Net position:	
Unrestricted (deficit)	(17,408)
Total net position (deficit)	$ (17,408)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	$ 44,634
Operating expenses:	
Purchased services	21,408
Claims	32,988
Total operating expenses	54,396
Change in net position	(9,762)
Net position (deficit) at beginning of year	(7,646)
Net position (deficit) at end of year	$ (17,408)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services	$ 44,634
Cash payments for purchased services	(21,408)
Cash payments for claims	(33,120)
Net cash used in operating activities	(9,894)
Cash flows from noncapital financing activities:	
Cash received from interfund loans	16,168
Cash used in repayment of interfund loans	(6,274)
Net cash provided by noncapital financing activities	9,894
Net increase (decrease) in cash and investments	-
Cash and investments at beginning of year	-
Cash and investments at end of year	$ -
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (9,762)
Changes in liabilities:	
Claims payable	(132)
Net cash used in operating activities	$ (9,894)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE DISTRICT

The Revere Local School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a local district as defined by Section 3311.03 of the Ohio Revised Code. The District is located in Summit County and encompasses the Village of Richfield, Richfield Township, and Bath Township. The District operates under a locally-elected five member board form of government and provides educational services as authorized and mandated by State and Federal agencies. The Board controls the District's four instructional/support facilities that provide services to community members and students.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (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 District's significant accounting policies are described below.

A. Reporting Entity

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

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

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

JOINTLY GOVERNED ORGANIZATIONS

Northeast Ohio Network for Educational Technology
The Northeast Ohio Network for Educational Technology (NEOnet) is a jointly governed organization comprised of 30 school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for member districts. Each of the governments of these districts supports NEOnet based on a per pupil charge dependent upon the software package utilized. The NEOnet assembly consists of a superintendent or designated representative from each participating district and a representative from the fiscal agent. NEOnet is governed by a board of directors chosen from the general membership of the NEOnet assembly. The board of directors consists of the chairman of each operating committee and membership from the members. There are a total of 9 board members, 3 of which are Treasurers. Financial information can be obtained by contacting the Fiscal Officer of NEOnet, located at 700 Graham Road, Cuyahoga Falls, Ohio 44221. During the fiscal year ended June 30, 2022, the District paid $189,403 to NEOnet for basic service charges.

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

Cuyahoga Valley Career Center
The Cuyahoga Valley Career Center (Career Center), a joint vocational school, is a jointly governed organization operated under a nine member Board of Directors, consisting of one representative from each participating school district. The Board controls the financial activity of the Career Center. The Career Center receives no direct funding from the member school districts but does receive property taxes based on member district's valuations. The continued existence of the Career Center is not dependent on the District's continued participation and no equity interest exists. Financial information can be obtained by writing to the Cuyahoga Valley Career Center, 8001 Brecksville Road, Brecksville, Ohio 44141.

Ohio Schools Council
The Ohio Schools Council (Council) is a jointly governed organization among 249 school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. The Council sponsors an insurance purchasing plan in which the School District participates. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. Financial information can be obtained by contacting Ohio Schools Council, 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

INSURANCE PURCHASING POOL

Summit Regional Health Care Consortium
In July 2010, the District joined together with Barberton City School District, Copley-Fairlawn City School District, Norton City School District, Wadsworth City School District, and Cuyahoga Falls City School District to establish a regional council of governments, organized under Chapter 167 of the Ohio Revised Code, known as the Summit Regional Health Care Consortium (SRHCC) for the purpose of promoting cooperative agreements and activities among its members in purchasing supplies and services and dealing with problems of mutual concern. The members of the SRHCC have undertaken a Health Benefits Program on a cooperative basis for the provision of certain medical, hospitalization, dental, prescription drug, vision, life, and disability income benefits for their employees and the eligible dependents of those employees, and any other health care benefits which the members may determine. As part of this agreement, each member is required to share in the program costs by making monthly payments to cover the program costs. The Treasurer of the fiscal agent (Copley-Fairlawn City School District) serves as the Treasurer of the SHRCC and is responsible for coordinating and administering the Health Benefits Program. Doug Beeman, Treasurer of the Wadsworth City Schools serves as the Chair of the SRHCC.

The Health Benefits Program is governed by the Board of Directors of the SHRCC (Board), which consists of one designee by each member school district, and the representative of the fiscal agent or designee. The fiscal agent Treasurer and program consultant shall serve as non-voting members. The SRHCC representatives and the fiscal agent treasurer's representative shall serve a two-year term of office. The officers consist of a Chairperson and Vice-Chairperson who are elected for one-year terms by the Board. The fiscal agent Treasurer shall be a permanent member of the Board and shall serve as the Recording Secretary.

In the event of withdrawal, members are entitled to recover its contributions to the SRHCC, if any, along with the proportionate share of interest earned on these contributions which are not encumbered for payment of its share of program costs. Claims submitted by covered persons of a withdrawing member after the recovery of funds will be exclusively the liability of the withdrawing member. Financial information for the SRHCC can be obtained from John Wheadon, Treasurer of the Copley-Fairlawn City School District at 3797 Ridgewood Road, Copley, Ohio 44321-1665.

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

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

General Fund -The general fund is used to account for and report all financial resources not accounted for and reported 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.

Bond Retirement Fund - The bone retirement fund is used to account for the accumulation of resources and payment of general obligation bond and principal and interest and certain long-term obligations from governmental resources when the government is obligated in some manner for payment.

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

PROPRIETARY FUND

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The following is a description of the District's proprietary fund:

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District's only internal service fund accounts for a self-insurance program for employee vision benefits.

C. Basis of Presentation and Measurement Focus

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation.

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows and all liabilities and deferred inflows associated with the operation of the District are included on the statement of net position.

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, and all nonmajor funds are aggregated into one column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's internal service fund are charges for services. Operating expenses for the internal service fund include claims and purchased services expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange 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.

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

For the District, see Notes 13 and 14 for deferred outflows of resources related the District's net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. In addition, see Notes 13 and 14 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue. Unused donated commodities are reported as intergovernmental revenue. In addition, this amount is reported on the statement of activities as an expense with a like amount reported within the "Operating Grants, Contributions and Interest" program revenue account.

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

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

E. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the alternative tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds are legally required to be budgeted and appropriated. Throughout the fiscal year, the primary level of budgetary control was at the fund level. Budgetary modifications may only be made by resolution of the Board of Education.

Tax Budget - Prior to January 15, the Superintendent and Treasurer submit to the Board a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing or increased tax rates. By no later than January 20, the Board-adopted budget is filed with the Summit County Budget Commission for rate determination.

Estimated Resources - The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the District by March 1. As part of the certification, the District receives the official certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget ensuring that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the amended certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2022.

Appropriations - A temporary appropriations measure to control expenditures may be passed on or about July 1 of each year for the period July 1 to September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 to June 30. The appropriation resolution fixes spending authority at the legal level of control and may be amended during the year as new information becomes available provided that total fund appropriations do not exceed current estimated resources, as certified. The total of expenditures and encumbrances may not exceed appropriations at the legal level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations provided the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. The amounts reported as the original budgeted amounts in the budgetary statements reflect the appropriation in the first complete appropriated budget, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, consistent with statutory provisions.

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

Encumbrances - As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On fund financial statements, encumbrances outstanding at year end are included as an assignment of fund balance, for the general fund only, for the intended use of previously unassigned funds.

***Lapsing of Appropriations* -** At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be re- appropriated.

F. 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 basic financial statements.

The District is setting aside monies in a sinking fund investment account with Huntington Bank that will be used to fund the scheduled balloon payment on the 2011 Energy Conservation Improvement Bonds described in Note 10. These amounts are reported on the basic financial statements as "Cash and Cash Equivalents with Trustee".

During fiscal year 2022, the District's investments included commercial paper, negotiable certificates of deposit (CDs), Federal Home Loan Bank securities (FHLB), Federal Farm Credit Bank securities (FFCB), Fannie Mae securities (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Agricultural Mortgage Corporation (FAMC), U.S. Treasury notes, U.S. government money markets, and STAR Ohio. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices.

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

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

Under existing Ohio statutes all investment earnings are assigned to the general fund except for those specifically related to the auxiliary services fund, food service, and scholarship funds authorized by Board resolution. Interest revenue credited to the general fund during fiscal year 2022 amounted to $270,632, which includes $66,175 assigned from other District funds.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

An analysis of the District's investments at fiscal year end is provided in Note 4.

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

G. Capital Assets

General capital assets are those assets specifically related to governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of $5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset life are not.

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

Description	Estimated Lives
Land improvements	10 - 20 years
Buildings and improvements	10 - 50 years
Furniture and equipment	5 - 30 years
Vehicles	5 - 10 years
Intangible leased equipment	5 years

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

H. Interfund Balances

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

I. Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences*. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

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

The entire compensated absences liability is reported on the government-wide financial statements.

Compensated absences are only reported in the governmental fund financial statements if they have matured. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid, which is primarily the general fund. The noncurrent portion of the liability is not reported.

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

J. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, net pension liability, net OPEB liability and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and other long-term obligations are recognized as a liability on 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.

K. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, 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 - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds 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 policies of the District Board of Education. The Board of Education has by resolution authorized the treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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

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

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

L. Estimates

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

M. Net Position

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

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

N. Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

O. Issuance Costs, Bond Premium and Discount and Accounting Gain or Loss on Debt Refunding

On the governmental fund financial statements, issuance costs, bond premiums, bond discounts, and deferred charges from debt refunding are recognized in the current period.

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. Unamortized bond discounts are presented as a reduction to the face amount of the bonds reported on the statement of net position.

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

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

P. Pensions/Other Postemployment Benefits (OPEB)

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2022.

R. Fair Value

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the District's fiscal year 2022 financial statements. The District recognized $102,046 in governmental activities in leases payable at July 1, 2021; however, this entire amount was offset by the intangible asset, right to use lease - equipment.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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

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

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

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

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

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

B. Deficit Fund Balances

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

	Deficit
Nonmajor Special Revenue Funds	
Elementary and Secondary School Emergency Relief (ESSER)	$ 8,118
Title I	4,055
Internal Service Fund	17,408

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

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

4. Bonds and other obligations of the State of Ohio;

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

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

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

8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities resenting the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

At fiscal year end, the District had $6,417 in undeposited cash on hand which is included on the financial statements of the District as part of "Equity in Pooled Cash and Investments".

B. Deposits with Financial Institutions

At June 30, 2022, the carrying amount of all District deposits was $1,224,865. Based on the criteria described in GASB Statement No. 40, "*Deposits and Investment Risk Disclosures*", as of June 30, 2022, $1,703,909 of the District's bank balance of $1,953,909 was covered by the Ohio Pooled Collateral System (OPCS) as discussed below, while $250,000 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

For 2022, the District's financial institution was approved for a collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

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

		Investment Maturity				
Investment type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair value:						
FHLB	$ 2,261,935	$ 249,843	$ -	$ -	$ 856,777	$ 1,155,315
FFCB	3,626,317	897,039	214,080	1,161,753	-	1,353,445
FNMA	229,605	-	-	-	-	229,605
FHLMC	237,168	-	-	-	237,168	-
FAMC	230,722	-	-	-	-	230,722
U.S. Treasury notes	7,092,471	-	196,890	871,591	193,532	5,830,458
Negotiable CDs	3,123,758	1,175,828	1,947,930	-	-	-
Commercial paper	495,960	495,960	-	-	-	-
US Government money market	814,901	814,901	-	-	-	-
Amortized cost:						
STAR Ohio	7,231,961	7,231,961	-	-	-	-
Total	$ 25,344,798	$ 10,865,532	$ 2,358,900	$ 2,033,344	$ 1,287,477	$ 8,799,545

The weighted average maturity of investments is 1.13 years.

The District's investments in U.S. Government money markets are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FHLB, FFCB, FNMA, FHLMC, FAMC, U.S. Treasury notes, negotiable CDs and commercial paper) are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: Standard & Poor's has assigned STAR Ohio an AAAm money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The investments in FHLB, FFCB, FNMA and U.S. Treasury notes carry ratings of Aaa by Moodys and AA+ by Standard & Poor's. The commercial paper was rated P-1 by Moodys and A-1+ and A-1 by Standard & Poor's. The U.S. government money market was rated AAAm by Standard and Poor's. The negotiable CDs were not rated. The negotiable CDs are covered by FDIC. The District's investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State Statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's investment policy does not specifically address custodial credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Measurement/Investment Type	Value	% to total
Fair value:		
FHLB	$ 2,261,935	8.92%
FFCB	3,626,317	14.31%
FNMA	229,605	0.91%
FHLMC	237,168	0.94%
FAMC	230,722	0.91%
U.S. Treasury notes	7,092,471	27.98%
Negotiable CDs	3,123,758	12.32%
Commercial paper	495,960	1.96%
US Government money market	814,901	3.22%
Amortized cost:		
STAR Ohio	7,231,961	28.53%
Total	$ 25,344,798	100.00%

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund balances at June 30, 2022, as reported on the fund financial statements, consist of the following interfund loans receivable/payable:

Receivable Fund	Payable Funds	Amount
General Fund	*Nonmajor Special Revenue Funds:*	
	Food Service	$ 150,000
	District Managed Activities	100,000
	ESSER	283,939
	IDEA, Part B	47,881
	Title I, Disadvantaged Children	14,112
	Improving Teacher Quality	4,598
	Internal Service Fund	16,168
Total interfund loans receivable/payable		$ 616,698

The primary purpose of the interfund loans is to cover the negative cash balances at fiscal year-end in the nonmajor governmental funds. The interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year. Interfund balances between governmental activities have been eliminated on the statement of net position.

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

B. Interfund transfers for the fiscal year 2022 consisted of the following, as reported on the fund statements:

Transfers from General Fund to:	Amount
Nonmajor Special Revenue Funds:	
Food Service	$ 197,597
District Managed Activities	129,683
Nonmajor Capital Projects Fund:	
Permanent Improvement	1,500,000
Total Transfers	$ 1,827,280

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers between governmental funds are eliminated for reporting in the statement of activities. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 6 - PROPERTY TAXES

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

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

The District receives property taxes from Summit County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2022, are available to finance fiscal year 2022 operations. The amount available as an advance at June 30, 2022 was $2,927,689 in the general fund, $367,973 in the bond retirement fund and $131,774 in the permanent improvement nonmajor capital projects fund. This amount is recorded as revenue. The amount available for advance at June 30, 2021 was $3,354,321 in the general fund, $427,908 in the bond retirement fund and $152,079 in the permanent improvement nonmajor capital projects fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

NOTE 6 - PROPERTY TAXES - (Continued)

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

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

	2021 Second Half Collections		2022 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 1,134,193,250	97.63	$1,139,356,210	97.38
Public utility personal	29,906,370	2.57	30,671,060	2.62
Total	$ 1,164,099,620	100.20	$1,170,027,270	100.00
Tax rate per $1,000 of assessed valuation		$ 63.30		$ 63.48

NOTE 7 - PAYMENT IN LIEU OF TAXES

According to State law, the Village of Richfield has entered into agreements with property owners under which the Village of Richfield has granted property tax abatements to those property owners and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the Village of Richfield to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if their taxes had not been abated. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by those owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners. The District received $604,998 in payments in lieu of taxes as a result of these agreements and a receivable of $575,000 has been reported on the financial statements.

THIS SPACE INTENTIONALLY LEFT BLANK

NOTE 8 - RECEIVABLES

Receivables at June 30, 2022 consisted of taxes, payments in lieu of taxes, intergovernmental grants and entitlements and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:	
Property taxes	$ 37,575,741
Payment in lieu of taxes	575,000
Accounts	30,484
Accrued interest	25,409
Intergovernmental:	
IDEA, Part B	196,844
Title I, Disadvantanged Students	40,898
IDEA Preschool Grant for the Handicapped	10,514
Improving teacher quality	9,137
ESSER	292,359
School Employees Retirement System	21,844
State foundation - JV01 adjustment	10,292
Total intergovernmental receivables	$ 581,888

Receivables have been disaggregated on the face of the financial statements. All receivables, except property taxes, are expected to be collected within one year. Property taxes and payment in lieu of taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

THIS SPACE INTENTIONALLY LEFT BLANK

NOTE 9 - CAPITAL ASSETS

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the District has reported capital assets for the right to use leased equipment ($102,046) at July 1, 2021, which are reflected in the schedule below. Capital asset activity for governmental activities for the fiscal year ended June 30, 2022, was as follows:

	(Restated) Balance 07/01/21	Additions	Disposals	Balance 06/30/22
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 1,312,709	$ -	$ -	$ 1,312,709
Construction in progress	-	406,510	-	406,510
Total capital assets, not being depreciated/amortized	1,312,709	406,510	-	1,719,219
Capital assets, being depreciated/amortized:				
Land improvements	4,822,900	-	-	4,822,900
Buildings and improvements	101,259,109	-	-	101,259,109
Furniture and equipment	4,679,409	237,270	-	4,916,679
Vehicles	3,485,875	254,979	(584,927)	3,155,927
Intangible right to use:				
Leased equipment	102,046	-	-	102,046
Total capital assets, being depreciated/amortized	114,349,339	492,249	(584,927)	114,256,661
Less: accumulated depreciation/amortization:				
Land improvements	(2,901,541)	(195,922)	-	(3,097,463)
Buildings and improvements	(15,601,896)	(2,484,429)	-	(18,086,325)
Furniture and equipment	(4,147,088)	(88,054)	-	(4,235,142)
Vehicles	(2,179,582)	(286,844)	584,927	(1,881,499)
Intangible right to use:				
Leased equipment	-	(61,228)	-	(61,228)
Total accumulated depreciation/amortization	(24,830,107)	(3,116,477)	584,927	(27,361,657)
Total capital assets, being depreciated/ amortized, net	89,519,232	(2,624,228)	-	86,895,004
Governmental activities capital assets, net	$ 90,831,941	$ (2,217,718)	$ -	$ 88,614,223

NOTE 9 - CAPITAL ASSETS - (Continued)

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

Instruction:	
Regular	$ 1,418,796
Special	277,837
Vocational	10,456
Other	8,284
Support services:	
Pupil	146,685
Instructional staff	76,398
Board of education	822
Administration	198,218
Fiscal	38,425
Business	112
Operations and maintenance	347,239
Pupil transportation	388,302
Central	21,308
Food service operations	57,369
Extracurricular activities	126,226
Total depreciation/amortization expense	$ 3,116,477

THIS SPACE INTENTIONALLY LEFT BLANK

NOTE 10 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the District has reported obligations for leases payable ($102,046) at July 1, 2021, which are reflected in the schedule below. The District's long-term obligations activity during fiscal year 2022 consisted of the following.

Governmental activities:	(Restated) Balance 06/30/21	Additions	Reductions	Balance 06/30/22	Amounts Due in One Year
General obligation bonds:					
School improvement - 2017A					
Serial and term bonds	$ 840,000	$ -	$ (840,000)	$ -	$ -
Unamortized bond premium	185,723	-	(185,723)	-	-
School improvement - 2017B					
Serial and term bonds	8,000,000	-	(50,000)	7,950,000	50,000
Unamortized bond premium	107,357	-	(5,013)	102,344	-
School improvement - 2017C					
Serial and term bonds	49,015,000	-	-	49,015,000	-
Capital appreciation bonds	552,123	-	(81,786)	470,337	289,021
Accretion on CABs	886,080	427,078	(163,214)	1,149,944	855,979
Unamortized bond premium	4,781,969	-	(195,183)	4,586,786	-
Unamortized bond discount	(332,788)	-	13,583	(319,205)	-
Total general obligation bonds	64,035,464	427,078	(1,507,336)	62,955,206	1,195,000
Direct placement bonds:					
Energy conservation improvement bonds	3,225,768	-	-	3,225,768	-
Direct borrowing notes:					
Tax anticipation	6,445,000	-	(655,000)	5,790,000	665,000
HVAC equipment	1,252,941	-	(123,886)	1,129,055	127,466
Total direct borrowing notes	7,697,941	-	(778,886)	6,919,055	792,466
Direct financing notes:					
Apple financing services	705,596	-	(349,322)	356,274	356,274
Lease liability	102,046	-	(60,889)	41,157	41,157
Net pension liability	44,576,465	-	(20,986,140)	23,590,325	-
Net OPEB liability	2,953,165	-	(331,990)	2,621,175	-
Compensated absences	2,689,632	270,179	(272,344)	2,687,467	212,338
Total long-term obligations, governmental activities	$ 125,986,077	$ 697,257	$ (24,286,907)	$ 102,396,427	$ 2,597,235

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The original issue date, interest rate, original issuance and date of maturity for each of the District's long-term obligations are as follows:

Issue	Original Issue Date	Interest Rate	Original Issue	Maturity Date
General obligation bonds:				
School facilities improvement - 2017A				
Serial and term	4/18/2017	2.00% - 5.00%	$59,700,000	12/1/2045
School facilities improvement - 2017B				
Serial and term	4/27/2017	2.00% - 4.00%	8,200,000	12/1/2043
School facilities improvement refunding - 2017C				
Serial and term	12/28/2017	3.25% - 4.00%	49,415,000	12/1/2045
Capital appreciation	12/28/2017	30.00%	803,332	12/1/2023
Direct placement bonds:				
Energy conservation improvement bonds	8/17/2011	5.14%	3,225,768	12/1/2026
Direct borrowing notes:				
Tax anticipation	12/19/2019	2.00% - 4.00%	7,000,000	12/1/2029
HVAC equipment	3/16/2020	2.89%	1,400,000	7/15/2029
Direct financing note:				
Apple financing services	2/5/2019	1.99%	1,402,472	7/1/2022
Lease payable:				
Copier equipment	7/1/2021	1.99%	102,046	2/15/2023

General Obligation Bonds

In December 2017 the District issued $50,218,332 in school facilities improvement bonds to partially refund certain general obligation bonds. The proceeds of the bonds were used to refund $50,220,000 of the District's 2017 Series A bonds. The bonds were issued for a 28 year period with final maturity at December 1, 2045.

These refunding bonds were issued with a premium of $5,465,107, which is reported as an increase to bonds payable. The amount is being amortized to interest expense over the life of the bonds using the straight-line method. The issuance resulted in a difference between the cash flows required to service old debt and the cash flows required to service the new debt of $380,329. The issuance resulted in an economic gain of $5,317,068.

This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The principal balance outstanding of the defeased bonds was $49,320,000 at June 30, 2022.

General obligation bonds are direct obligations of the District for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the District.

The bonds will be retired from the bond retirement fund.

Energy Conservation Improvement Bonds (Direct Placement)

On August 17, 2011 the District issued energy conservation improvement bonds. The District is setting aside monies in a sinking fund investment account with Huntington Bank that will be used to fund the scheduled balloon payment on the December 1, 2026. At June 30, 2022, $2,251,082 was held in the sinking fund.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Tax Anticipation Notes (Direct Borrowing)
In December 2019 the District issued $7,000,000 in tax anticipation notes with interest rates ranging from 2% to 4% to fund construction of new facilities. The notes were issued for a 10 year period with final maturity at December 1, 2029.

These tax anticipation notes were issued with a premium of $360,870, which is reported as an increase to notes payable. The amounts are immaterial to amortize.

The tax anticipation notes are direct obligations of the District for which are payable from taxes levied on all taxable property in the District.

The notes will be retired from the bond retirement fund.

HVAC Equipment Note (Direct Borrowing)
On March 16, 2020, the District entered into a purchase agreement with Huntington Public Capital Corporation for HVAC equipment at the high school. The agreement transfers benefits and risk of ownership to the lessee. Payments on the note have been reclassified and are reflected as debt service expenditures for the general fund in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

At June 30, 2022, the capital assets acquired by the purchase agreement outstanding at fiscal year-end have been capitalized in the amount of $1,400,000, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2022 was $52,500, leaving a current book value of $1,347,500.

A corresponding liability was recorded in the statement of net position. The principal and interest payments made on the note during fiscal year 2022, totaled $123,886 and $36,210, respectively, in the general fund.

The purchase agreement is considered a direct borrowing. Direct borrowings have terms negotiated directly between the District and the lender and are not offered for public sale. In the event of default, the amounts payable by the District may become due. If payments are not made, the lessor may take possession of the equipment (secured assets) and hold the District liable for amounts payable.

Apple Financing Services Note (Direct Financing)
On February 5, 2019, the District entered into a purchase agreement with Apple Financing Services for laptops and software at the high school. The purchase agreement transfers benefits and risk of ownership to the lessee. Purchase payments have been reclassified and are reflected as debt service expenditures for the permanent improvement nonmajor capital projects fund and IDEA, Part B nonmajor special revenue fund in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Equipment acquired by the purchase agreement was not capitalized because the leased equipment is individually below the capitalization threshold.

A liability was recorded in the statement of net position. The principal and interest payments made on the purchase agreement during fiscal year 2022 totaled $317,883 and $12,777, respectively, in the permanent improvement nonmajor capital projects fund and $31,439 and $1,264, respectively, in the IDEA, Part B nonmajor special revenue fund.

The purchase agreement is considered a direct financing. Direct financings have terms negotiated directly between the District and the lender and are not offered for public sale. In the event of default, the amounts payable by the District may become due. If payments are not made, the lessor may take possession of the equipment (secured assets) and hold the District liable for amounts payable.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Lease Liability
The District has entered into a lease agreement for the use of right to use copier equipment. Due to the implementation of GASB Statement No. 87, the District will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. Lease payments have been reclassified and are reflected as debt service expenditures for the general fund in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

The District entered into the lease with U.S. Bank for a term of 26 months on December 15, 2020. Payments are due monthly and the lease matures on February 15, 2023.

Net Pension/OPEB Liability
There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the general fund. For additional information related to the net pension liability and net OPEB liability see Notes 13 and 14.

Compensated Absences
Compensated absences will be paid from the fund from which the person is paid, which, for governmental activities, is primarily the general fund.

Debt Service Schedules
The following is a summary of the future debt service requirements to maturity for the general obligation bonds, energy conservation improvement bonds, tax anticipation notes, purchase notes, and lease liability.

	Current Interest Serial/Term Bonds			Capital Appreciation Bonds		
Year Ended	Principal	Interest	Total	Principal	Interest	Total
2023	$ 50,000	$ 2,157,150	$ 2,207,150	$ 289,021	$ 855,979	$ 1,145,000
2024	415,000	2,148,350	2,563,350	181,316	768,684	950,000
2025	1,420,000	2,112,150	3,532,150	-	-	-
2026	1,495,000	2,054,350	3,549,350	-	-	-
2027	1,570,000	1,993,550	3,563,550	-	-	-
2028 - 2032	9,305,000	8,952,425	18,257,425	-	-	-
2033 - 2037	12,030,000	6,973,475	19,003,475	-	-	-
2038 - 2042	15,415,000	4,344,900	19,759,900	-	-	-
2043 - 2046	15,265,000	1,073,962	16,338,962	-	-	-
Total	$ 56,965,000	$ 31,810,312	$ 88,775,312	$ 470,337	$ 1,624,663	$ 2,095,000

	Energy Conservation Improvement Bonds			Tax Anticipation Notes		
Year Ended	Principal	Interest	Total	Principal	Interest	Total
2023	$ -	$ 165,805	$ 165,805	$ 665,000	$ 155,650	$ 820,650
2024	-	165,805	165,805	680,000	142,200	822,200
2025	-	165,805	165,805	695,000	128,450	823,450
2026	-	165,805	165,805	705,000	114,450	819,450
2027	3,225,768	82,903	3,308,671	720,000	100,200	820,200
2028 - 2030	-	-	-	2,325,000	141,900	2,466,900
Total	$ 3,225,768	$ 746,123	$ 3,971,891	$ 5,790,000	$ 782,850	$ 6,572,850

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

	HVAC Equipment Note			Apple Financing Services Note		
Year Ended	Principal	Interest	Total	Principal	Interest	Total
2023	$ 127,466	$ 32,630	$ 160,096	$ 356,274	$ 7,089	$ 363,363
2024	131,150	28,946	160,096	-	-	-
2025	134,940	25,156	160,096	-	-	-
2026	138,840	21,256	160,096	-	-	-
2027	142,852	17,243	160,095	-	-	-
2028 - 2030	453,807	26,479	480,286	-	-	-
Total	$ 1,129,055	$ 151,710	$ 1,280,765	$ 356,274	$ 7,089	$ 363,363

	Lease Liability		
Year Ended	Principal	Interest	Total
2023	$ 41,157	$ 308	$ 41,465

Legal Debt Margin
The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9 percent of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1 percent of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1 percent of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2022, are a voted debt margin of $49,141,050 (including available funds of $4,499,701) and an unvoted debt margin of $1,170,027.

NOTE 11 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. For the 12 month period beginning August 1, 2021 through July 31, 2022, the District contracted with a private insurance company for commercial property insurance and boiler and machinery coverage ($128,133,231 blanket combined building and personal property, $25,000 deductible), for commercial auto coverage ($1,000,000 combined single limit for bodily injury and property damage with a $10,000,000 umbrella), $500 comprehensive/$500 collision deductible for vehicles other than buses, $500 comprehensive/$1,000 collision deductible for buses). Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant decrease in insurance coverage from the prior year.

B. Workers' Compensation

The District pays the State Workers' Compensation system a premium based on a rate of $0.38 per $100 of salaries. This rate is calculated based on accident history and administrative costs.

NOTE 11 - RISK MANAGEMENT - (Continued)

C. Employee Vision Benefits

Vision coverage is provided on a self-insured basis. The District is responsible for payment of all claim amounts in excess of the employee payment percentages established in the plan document.

The claims liability reported in the internal service fund at June 30, 2022, is based on the requirements of GASB Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

The District joined the Summit Regional Health Care Consortium for health and dental insurance as of July 1, 2010. The District remains self-insured for vision insurance only.

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

	2022	2021
Claim liabilities at beginning of fiscal year	$ 1,372	$ 4,540
Incurred claims	32,988	29,759
Claims paid	(33,120)	(32,927)
Claim liabilities at end of fiscal year	$ 1,240	$ 1,372

D. Health Insurance

The District participates in the Summit Regional Health Care Consortium ("SRHCC") for the purpose of obtaining benefits at a reduced premium for health and dental care. The program for health care is administered by Anthem Blue Cross and Blue Shield. Payments are made to the SRHCC for the monthly attachment point, monthly stop-loss premiums, and administrative charges. The fiscal officer of the SRHCC is the Treasurer of the Copley Fairlawn City Schools. The fiscal agent pays Anthem monthly for the actual amount of claims processed, the stop-loss premium, and the administrative charges.

NOTE 12 - OTHER EMPLOYEE BENEFITS

A. Life Insurance

The District provides life insurance to employees through Lincoln Life in the amount of $100,000 for administrators, twice the salary for the superintendent, $50,000 for all classified employees and $50,000 for teachers.

B. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees, and administrators who are contracted to work no less than 12 months, earn 10 to 30 days of vacation per year depending upon length of service. Employees with 15 years of service or more may carry over 5 unused vacation days with written approval. Teachers and administrators who work less than 12 months do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to 295 days for certificated and classified employees. Upon retirement, District employees receive one-fourth of total unused sick leave, up to the maximum, based on the number of credited service years.

NOTE 12 - OTHER EMPLOYEE BENEFITS - (Continued)

C. Special Termination Benefits

Employees meeting the retirement requirements included in negotiated agreements, and the provisions of the retirement systems, receive a salary incentive when they retire from active service. Those employees eligible to retire received $10,000 for certified staff and $7,000 for support staff in the first year of eligibility and $4,000 for certificated and $3,000 for support staff in any other year. For classified employee who retire in the first year of eligibility, the amounts are $8,000 for 12 month employees and $6,000 for 9 month employees.

NOTE 13 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

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

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

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

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

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

The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

The District's contractually required contribution to SERS was $691,598 for fiscal year 2022. Of this amount, $39,863 is reported as due to other governments.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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

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

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The District's contractually required contribution to STRS was $2,562,473 for fiscal year 2022. Of this amount, $426,844 is reported as due to other governments.

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

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

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.14050180%	0.14582053%	
Proportion of the net pension liability current measurement date	0.14268540%	0.14332702%	
Change in proportionate share	0.00218360%	-0.00249351%	
Proportionate share of the net pension liability	$ 5,264,677	$ 18,325,648	$ 23,590,325
Pension expense	$ (132,490)	$ (77,061)	$ (209,551)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 508	$ 566,173	$ 566,681
Changes of assumptions	110,859	5,083,865	5,194,724
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	82,224	118,856	201,080
Contributions subsequent to the measurement date	691,598	2,563,473	3,255,071
Total deferred outflows of resources	$ 885,189	$ 8,332,367	$ 9,217,556

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 136,534	$ 114,865	$ 251,399
Net difference between projected and actual earnings on pension plan investments	2,711,464	15,793,202	18,504,666
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	17,677	691,511	709,188
Total deferred inflows of resources	$ 2,865,675	$ 16,599,578	$ 19,465,253

$3,255,071 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (633,582)	$ (2,741,281)	$ (3,374,863)
2024	(561,557)	(2,357,810)	(2,919,367)
2025	(644,689)	(2,467,277)	(3,111,966)
2026	(832,256)	(3,264,316)	(4,096,572)
Total	$ (2,672,084)	$ (10,830,684)	$ (13,502,768)

Actuarial Assumptions - SERS

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

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 8,759,130	$ 5,264,677	$ 2,317,653

THIS SPACE INTENTIONALLY LEFT BLANK

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

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

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

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

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

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

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 34,317,081	$ 18,325,648	$ 4,812,922

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 13 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2022, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the District's surcharge obligation was $84,789.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $84,789 for fiscal year 2022, which is reported as due to other governments.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.13588220%	0.14582053%	
Proportion of the net OPEB liability/asset current measurement date	0.13849730%	0.14332702%	
Change in proportionate share	0.00261510%	-0.00249351%	
Proportionate share of the net OPEB liability	$ 2,621,175	$ -	$ 2,621,175
Proportionate share of the net OPEB asset	$ -	$ (3,021,933)	$ (3,021,933)
OPEB expense	$ (64,828)	$ (202,850)	$ (267,678)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 27,941	$ 107,602	$ 135,543
Changes of assumptions	411,200	193,028	604,228
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	19,736	66,452	86,188
Contributions subsequent to the measurement date	84,789	-	84,789
Total deferred outflows of resources	$ 543,666	$ 367,082	$ 910,748

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 1,305,465	$ 553,672	$ 1,859,137
Net difference between projected and actual earnings on OPEB plan investments	56,947	837,627	894,574
Changes of assumptions	358,949	1,802,808	2,161,757
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	163,118	79,271	242,389
Total deferred inflows of resources	$ 1,884,479	$ 3,273,378	$ 5,157,857

$84,789 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2023.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (333,411)	$ (817,193)	$ (1,150,604)
2024	(333,811)	(796,235)	(1,130,046)
2025	(330,139)	(805,320)	(1,135,459)
2026	(267,420)	(371,015)	(638,435)
2027	(126,460)	(119,071)	(245,531)
Thereafter	(34,361)	2,538	(31,823)
Total	$ (1,425,602)	$ (2,906,296)	$ (4,331,898)

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.

THIS SPACE INTENTIONALLY LEFT BLANK

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 3,247,953	$ 2,621,175	$ 2,120,460

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 2,018,090	$ 2,621,175	$ 3,426,711

Actuarial Assumptions - STRS

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

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

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

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 2,550,044	$ 3,021,933	$ 3,416,125

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 3,400,153	$ 3,021,933	$ 2,554,229

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

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

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

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

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

Net Change in Fund Balance

	General fund
Budget basis	$ (1,251,520)
Net adjustment for revenue/other financing sources accruals	(1,784,816)
Net adjustment for expenditure/other financing uses accruals	441,657
Funds budgeted elsewhere *	(4,912)
Adjustment for encumbrances	374,303
GAAP basis	$ (2,225,288)

*Certain funds that are legally budgeted in separate special revenue and custodial funds are considered part of the general fund on a GAAP basis. This includes the uniform school supplies fund, public school support fund, unclaimed monies fund, and employee benefits agency fund.

NOTE 16 - CONTINGENCIES

A. Grants

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. This also encompasses the Auditor of State's ongoing review of student attendance data; however, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2022, if applicable, cannot be determined at this time.

B. Litigation

The District is involved in no pending litigation that would have a material effect on the financial condition of the District.

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2022 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

NOTE 17 - SET-ASIDES

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

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

	Capital Improvements
Set-aside balance June 30, 2021	$ -
Current fiscal year set-aside requirement	483,403
Current fiscal year offsets	(723,411)
Total	$ (240,008)
Balance carried forward to fiscal year 2023	$ -
Set-aside balance June 30, 2022	$ -

NOTE 18 - OTHER COMMITMENTS

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

Fund	Fiscal Year-End Encumbrances
General	$ 314,633
Other governmental	1,428,752
Total	$ 1,743,385

NOTE 19 - COVID-19

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

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

REQUIRED SUPPLEMENTARY INFORMATION

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net pension liability	0.14268540%	0.14050180%	0.14208650%	0.14437860%
District's proportionate share of the net pension liability	$ 5,264,677	$ 9,293,085	$ 8,501,284	$ 8,268,830
District's covered payroll	$ 4,923,886	$ 5,047,707	$ 4,845,622	$ 4,790,689
District's proportionate share of the net pension liability as a percentage of its covered payroll	106.92%	184.11%	175.44%	172.60%
Plan fiduciary net position as a percentage of the total pension liability	82.86%	68.55%	70.85%	71.36%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
0.14254730%	0.14601050%	0.14849390%	0.15067000%	0.15067000%
$ 8,516,886	$ 10,686,621	$ 8,473,206	$ 7,625,323	$ 8,959,861
$ 4,671,086	$ 4,199,293	$ 4,728,141	$ 5,189,986	$ 4,511,980
182.33%	254.49%	179.21%	146.92%	198.58%
69.50%	62.98%	69.16%	71.70%	65.52%

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net pension liability	0.14332702%	0.14582053%	0.14535857%	0.14733526%
District's proportionate share of the net pension liability	$ 18,325,648	$ 35,283,380	$ 32,145,174	$ 32,395,716
District's covered payroll	$ 17,572,686	$ 18,624,650	$ 17,086,336	$ 16,164,650
District's proportionate share of the net pension liability as a percentage of its covered payroll	104.28%	189.44%	188.13%	200.41%
Plan fiduciary net position as a percentage of the total pension liability	87.78%	75.48%	77.40%	77.31%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
0.14610977%	0.14322520%	0.14474776%	0.15067000%	0.15067000%
$ 34,708,689	$ 47,941,792	$ 40,004,047	$ 35,551,907	$ 42,349,199
$ 16,794,307	$ 13,181,886	$ 15,940,086	$ 16,376,823	$ 14,818,238
206.67%	363.69%	250.97%	217.09%	285.79%
75.30%	66.80%	72.10%	74.70%	69.30%

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018
Contractually required contribution	$ 691,598	$ 689,344	$ 706,679	$ 654,159	$ 646,743
Contributions in relation to the contractually required contribution	(691,598)	(689,344)	(706,679)	(654,159)	(646,743)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,939,986	$ 4,923,886	$ 5,047,707	$ 4,845,622	$ 4,790,689
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.50%	13.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017		2016		2015		2014		2013	
$	653,952	$	587,901	$	623,169	$	719,332	$	624,458
	(653,952)		(587,901)		(623,169)		(719,332)		(624,458)
$	-	$	-	$	-	$	-	$	-
$	4,671,086	$	4,199,293	$	4,728,141	$	5,189,986	$	4,511,980
	14.00%		14.00%		13.18%		13.86%		13.84%

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018
Contractually required contribution	$ 2,563,473	$ 2,460,176	$ 2,607,451	$ 2,392,087	$ 2,263,051
Contributions in relation to the contractually required contribution	(2,563,473)	(2,460,176)	(2,607,451)	(2,392,087)	(2,263,051)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 18,310,521	$ 17,572,686	$ 18,624,650	$ 17,086,336	$ 16,164,650
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014	2013
$ 2,351,203	$ 1,845,464	$ 2,231,612	$ 2,128,987	$ 1,926,371
(2,351,203)	(1,845,464)	(2,231,612)	(2,128,987)	(1,926,371)
$ -	$ -	$ -	$ -	$ -
$ 16,794,307	$ 13,181,886	$ 15,940,086	$ 16,376,823	$ 14,818,238
14.00%	14.00%	14.00%	13.00%	13.00%

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net OPEB liability	0.13849730%	0.13588220%	0.13612460%	0.14127450%
District's proportionate share of the net OPEB liability	$ 2,621,175	$ 2,953,165	$ 3,423,247	$ 3,919,336
District's covered payroll	$ 4,923,886	$ 5,047,707	$ 4,845,622	$ 4,790,689
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	53.23%	58.51%	70.65%	81.81%
Plan fiduciary net position as a percentage of the total OPEB liability	24.08%	18.17%	15.57%	13.57%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017
0.14131990%	0.14757923%
$ 3,792,655	$ 4,206,554
$ 4,671,086	$ 4,199,293
81.19%	100.17%
12.46%	11.49%

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net OPEB liability/asset	0.14332702%	0.14582053%	0.14535857%	0.14733526%
District's proportionate share of the net OPEB liability/(asset)	$ (3,021,933)	$ (2,562,795)	$ (2,407,494)	$ (2,367,527)
District's covered payroll	$ 17,572,686	$ 18,624,650	$ 17,086,336	$ 16,164,650
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	17.20%	13.76%	14.09%	14.65%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.73%	182.10%	174.70%	176.00%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017
0.14610977%	0.14322520%
$ 5,700,664	$ 7,659,721
$ 16,794,307	$ 13,181,886
33.94%	58.11%
47.10%	37.30%

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018
Contractually required contribution	$ 84,789	$ 49,126	$ 40,492	$ 62,857	$ 86,621
Contributions in relation to the contractually required contribution	(84,789)	(49,126)	(40,492)	(62,857)	(86,621)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,939,986	$ 4,923,886	$ 5,047,707	$ 4,845,622	$ 4,790,689
Contributions as a percentage of covered payroll	1.72%	1.00%	0.80%	1.30%	1.81%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014	2013
$ 61,607	$ 73,018	$ 105,726	$ 70,299	$ 70,955
(61,607)	(73,018)	(105,726)	(70,299)	(70,955)
$ -	$ -	$ -	$ -	$ -
$ 4,671,086	$ 4,199,293	$ 4,728,141	$ 5,189,986	$ 4,511,980
1.32%	1.74%	2.24%	1.35%	1.57%

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018
Contractually required contribution	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 18,310,521	$ 17,572,686	$ 18,624,650	$ 17,086,336	$ 16,164,650
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2017	2016	2015	2014	2013
$ -	$ -	$ -	$ 163,768	$ 148,182
-	-	-	(163,768)	(148,182)
$ -	$ -	$ -	$ -	$ -
$ 16,794,307	$ 13,181,886	$ 15,940,086	$ 16,376,823	$ 14,818,238
0.00%	0.00%	1.00%	1.00%	1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms:

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

Changes in assumptions:

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms:

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

Changes in assumptions:

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

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

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

Changes in assumptions :

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

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

(Continued)

Changes in assumptions :

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

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/ *Pass-Through Grantor/* Program or Cluster Title	Assistance Listing Number	Expenditures	Non-Cash Expenditures
U.S. Department of Agriculture			
Passed through Ohio Department of Education			
Child Nutrition Cluster:			
School Breakfast Program	10.553	$ 111,543	$ 0
National School Lunch Program	10.555	1,283,654	87,622
COVID-19 - National School Lunch Program	10.555	60,631	0
Total Child Nutrition Cluster		1,455,828	87,622
COVID-19 - Pandemic EBT Administrative Costs	10.649	614	0
Total U.S. Department of Agriculture		1,456,442	87,622
U.S. Department of Education			
Passed through Ohio Department of Education			
Title I - Grants to Local Educational Agencies	84.010	85,826	0
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	515,744	0
COVID-19 Special Education - Grants to States	84.027X	125,541	
Special Education - Preschool Grants	84.173	8,249	0
Total Special Education Cluster		649,534	0
Improving Teacher Quality State Grants	84.367	55,839	0
Student Support and Academic Enrichment Program	84.424	15,023	0
COVID-19 - Education Stabilization Fund - ESSER II	84.425D	417,076	0
COVID-19 - Education Stabilization Fund -ARP ESSER	84.425U	322,155	0
Total ALN #84.425		739,231	0
Total U.S. Department of Education		1,545,453	0
The Institute of Museum and Library Service			
Passed through State Library of Ohio			
Grants to States - COVID-19 Library Services and Technology Act (LSTA) - CARES Act	45.310	196	0
Total The Institute of Museum and Library Service		196	0
TOTAL EXPENDITURES OF FEDERAL AWARDS		$ 3,002,091	$ 87,622

See accompanying notes to the Schedule of Expenditures of Federal Awards.

NOTE 1: **BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Revere Local School District under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented 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 Revere Local School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Revere Local School District.

NOTE 2: **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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: **INDIRECT COST RATE**

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

NOTE 4: **CHILD NUTRITION CLUSTER**

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE 5: **FOOD DONATION PROGRAM**

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Revere Local School District
Summit County
3496 Everett Road
Richfield, Ohio 44286

To the Members of the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Revere Local School District, Summit County, Ohio, (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 22, 2022, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Zupka & Associates

Zupka & Associates
Certified Public Accountants

November 22, 2022

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

Revere Local School District
Summit County
3496 Everett Road
Richfield, Ohio 44286

To the Members of the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Revere Local School District, Summit County, Ohio's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2022. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Revere Local School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the Revere Local School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Revere Local School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Zupka & Associates

Zupka & Associates
Certified Public Accountants

November 22, 2022

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
UNIFORM GUIDANCE
JUNE 30, 2022

1. **SUMMARY OF AUDITOR'S RESULTS**

2022(i)	Type of Financial Statement Opinion	Unmodified
2022(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2022(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2022(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2022(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2022(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2022(v)	Type of Major Programs' Compliance Opinions	Unmodified
2022(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2022(vii)	Major Programs (list): Child Nutrition Cluster - ALN #10.553 and ALN #`10.555	
2022(viii)	Dollar Threshold: A/B Program	Type A: $750,000 Type B: All Others less than $750,000
2022(ix)	Low Risk Auditee?	Yes

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

None.

3. **FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

REVERE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The audit report for the fiscal year ending June 30, 2021 included no citations or instance of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences this audit period.

OHIO AUDITOR OF STATE
KEITH FABER

REVERE LOCAL SCHOOL DISTRICT

SUMMIT 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 12/27/2022

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