



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**ST. BERNARD-ELMWOOD PLACE CITY SCHOOL DISTRICT
HAMILTON COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2022**

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Education
St. Bernard-Elmwood Place City School District
105 Washington Avenue
St. Bernard, Ohio 45217

We have reviewed the *Independent Auditor's Report* of the St. Bernard-Elmwood Place City School District, Hamilton County, prepared by Perry & Associates, Certified Public Accountants, A.C., 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 St. Bernard-Elmwood Place City School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

February 16, 2023

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**ST. BERNARD-ELMWOOD PLACE CITY SCHOOL DISTRICT
HAMILTON COUNTY**

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**ST. BERNARD-ELMWOOD PLACE CITY SCHOOL DISTRICT
HAMILTON COUNTY**

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INDEPENDENT AUDITOR’S REPORT

St. Bernard-Elmwood Place City School District
Hamilton County
105 Washington Avenue
St. Bernard, Ohio 45217

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of St. Bernard-Elmwood Place City School District, Hamilton County, Ohio as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 School District’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 School District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule 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 December 28, 2022, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

December 28, 2022

St. Bernard-Elmwood Place City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

The discussion and analysis of St. Bernard-Elmwood Place City School District's 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 notes to the basic financial statements and basic financial statements to enhance their understanding of the District's performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- Net position of governmental activities increased \$5,098,020 which represents a 12% increase from 2021.
- General revenues accounted for \$13,015,280 in revenue or 71% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$5,209,923 or 29% of total revenues of \$18,225,203.
- The District had \$13,127,183 in expenses related to governmental activities; \$5,209,923 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$13,015,280 were also used to provide for these programs.

Overview of the Financial Statements

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

The *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 General Fund and the Classroom Facilities Fund are the only major funds of the District.

Government-wide Financial Statements

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?" The Government-wide Financial Statements answer this question. These statements include *all assets and deferred outflows*, and *liabilities and deferred inflows* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

St. Bernard-Elmwood Place City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

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

In the Government-wide Financial Statements, the overall financial position of the District is presented in the following manner:

- Governmental Activities – Most of the District's programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities, and interest and fiscal charges.

Fund Financial Statements

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

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

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

The District as a Whole

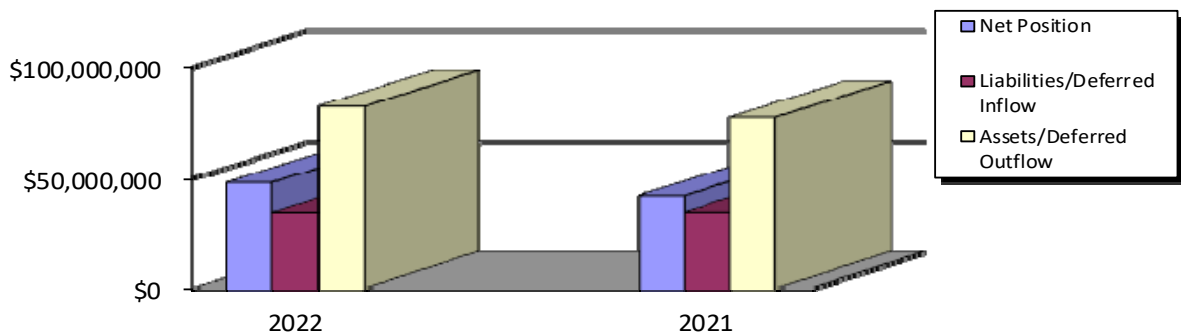
As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2022 compared to 2021:

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St. Bernard-Elmwood Place City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

Table 1
Net Position

	Governmental Activities	
	2022	2021
Assets:		
Current and Other Assets	\$43,183,002	\$52,004,256
Net OPEB Asset	984,147	866,294
Capital Assets	34,428,377	21,082,133
Total Assets	78,595,526	73,952,683
Deferred Outflows of Resources:		
Pension	3,018,797	2,665,258
OPEB	370,440	442,482
Total Deferred Outflows of Resources	3,389,237	3,107,740
Liabilities:		
Other Liabilities	3,300,049	2,449,554
Long-Term Liabilities	18,978,657	26,911,079
Total Liabilities	22,278,706	29,360,633
Deferred Inflows of Resources:		
Property Taxes	3,254,678	2,776,560
Pension	6,869,531	523,407
Grants and Other Taxes	54,722	40,658
OPEB	1,736,992	1,667,051
Total Deferred Inflows of Resources	11,915,923	5,007,676
Net Position:		
Net Investment in Capital Assets	26,597,907	15,055,990
Restricted	10,038,717	21,162,296
Unrestricted	11,153,510	6,473,828
Total Net Position	\$47,790,134	\$42,692,114



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 \$47,790,134.

**St. Bernard-Elmwood Place City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)**

At year-end, capital assets represented 44% of total assets. Capital assets include land, buildings and improvements, construction in process, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2022, were \$26,597,907. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$10,038,717 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Total assets increased from the prior year due primarily to an increase in capital assets. Long-term liabilities decreased due to a decrease in net pension liability.

Table 2 shows the changes in net position for fiscal years 2022 and 2021.

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St. Bernard-Elmwood Place City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

Table 2
Changes in Net Position

	Governmental Activities	
	2022	2021
Revenues:		
Program Revenues		
Charges for Services and Sales	\$489,733	\$1,587,507
Operating Grants, Contributions	4,720,190	4,257,783
General Revenues:		
Property Taxes	6,860,388	8,135,800
Grants and Entitlements	5,990,663	5,836,759
Other	164,229	492,352
Total Revenues	<u>18,225,203</u>	<u>20,310,201</u>
Program Expenses:		
Instruction	5,891,471	9,653,722
Support Services:		
Pupil and Instructional Staff	1,457,192	1,423,625
School Administrative, General		
Administration, Fiscal and Business	1,574,553	1,492,222
Operations and Maintenance	1,426,312	1,285,825
Pupil Transportation	301,875	311,000
Central	221,009	445,063
Operation of Non-Instructional Services	1,572,471	1,573,166
Extracurricular Activities	332,428	323,170
Interest and Fiscal Charges	349,872	364,720
Total Program Expenses	<u>13,127,183</u>	<u>16,872,513</u>
Change in Net Position	5,098,020	3,437,688
Net Position - Beginning of Year	<u>42,692,114</u>	<u>39,254,426</u>
Net Position - End of Year	<u><u>\$47,790,134</u></u>	<u><u>\$42,692,114</u></u>

Of the total governmental activities revenues of \$18,225,203, \$5,209,923 is from program revenue. This means that the government relies on general revenues to fund the majority of the cost of services provided to the citizens. Of those general revenues, \$6,860,388 (38%) comes from property tax levies and \$5,990,663 (33%) is from state funding. This District's operations are reliant upon its property tax levy and the state's foundation program.

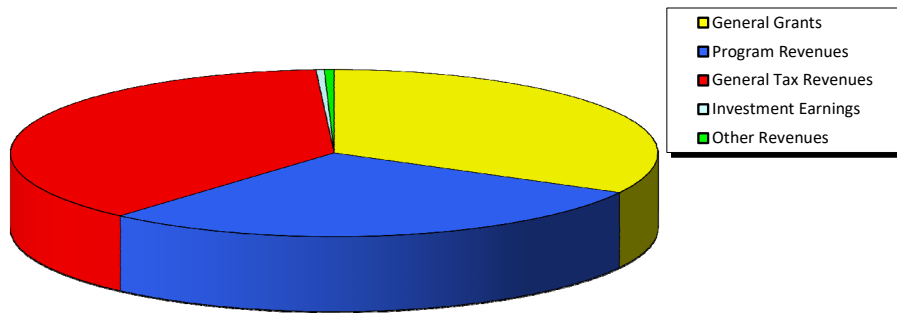
The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner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

**St. Bernard-Elmwood Place City School District
 Management’s Discussion and Analysis
 For the Fiscal Year Ended June 30, 2022
 (Unaudited)**

Thus Ohio districts do not receive additional property tax revenue from increases in appraisal values and must regularly return to the voters to maintain a constant level of service.

**Governmental Activities
 Revenue Sources**

	2021	Percentage
General Grants	\$5,990,663	32.9%
Program Revenues	5,209,923	28.6%
General Tax Revenues	6,860,388	37.6%
Investment Earnings	75,340	0.4%
Other Revenues	88,889	0.5%
Total Revenue Sources	\$18,225,203	100.0%



Instruction comprises 45% of governmental program expenses. Support services expenses were 38% of governmental program expenses. All other expenses including interest expense were 17%. Interest expense was attributable to the outstanding borrowing for capital projects.

Operating grant revenues increased mainly due to an increase in grant monies (intergovernmental revenue) received in 2022 compared to 2021. Total expenses for fiscal year 2022 when compared to fiscal year 2021 decreased due to changes related to net pension liability and other post employment benefits liability.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

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St. Bernard-Elmwood Place City School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
Instruction	\$5,891,471	\$9,653,722	(\$3,639,997)	(\$5,978,240)
Support Services:				
Pupil and Instructional Staff	1,457,192	1,423,625	(579,993)	(594,854)
School Administrative, General				
Administration, business, and Fiscal	1,574,553	1,492,222	(1,573,986)	(1,477,905)
Operations and Maintenance	1,426,312	1,285,825	(1,080,800)	(1,285,825)
Pupil Transportation	301,875	311,000	(271,785)	(300,995)
Central	221,009	445,063	(221,009)	(445,063)
Operation of Non-Instructional Services	1,572,471	1,573,166	37,543	(313,199)
Extracurricular Activities	332,428	323,170	(237,361)	(266,422)
Interest and Fiscal Charges	349,872	364,720	(349,872)	(364,720)
Total Expenses	<u>\$13,127,183</u>	<u>\$16,872,513</u>	<u>(\$7,917,260)</u>	<u>(\$11,027,223)</u>

Districts Major Funds

The District has two major governmental funds: the General Fund and the Classroom Facilities Fund. Assets of these funds comprised \$36,754,386 (85%) of the total \$43,253,339 governmental funds’ assets.

General Fund: Fund balance at June 30, 2022 was \$23,324,690. The fund balance increased \$3,362,782 from 2021 to 2022. The overall fund balance increased is due to revenues exceeding expenditures during the year.

Classroom Facilities Fund: Fund balance at June 30, 2022 was \$3,351,275.

General Fund Budgeting Highlights

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

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

For the General Fund, final budget basis revenue was \$14,299,162, compared to original budget estimates of \$14,299,170. Of the \$7 difference, most was due to underestimation of tax and intergovernmental revenues.

The District’s ending unobligated cash balance for the General Fund was \$19,732,793 which is \$703,442 above the original budgeted amount. Actual expenditures were more than the original budget mainly due to overestimation of instructional and support services expenditures.

St. Bernard-Elmwood Place City School District
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2022, the District had \$34,428,377 invested in land, buildings and improvements, construction in progress, and equipment. Table 4 shows fiscal year 2022 balances compared to fiscal year 2021:

Table 4
Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2022	2021
Land	\$306,322	\$306,322
Constuction In Progress	33,881,671	20,457,530
Buildings and Improvements	94,334	116,816
Equipment	146,050	201,465
Total Net Capital Assets	<u>\$34,428,377</u>	<u>\$21,082,133</u>

The increase in capital assets is due to the continuation of the construction project within the District.

See Note 6 to the basic financial statements for further details on the District’s capital assets.

Debt

At June 30, 2022, the District had \$9,165,030 in debt outstanding, \$210,000 due within one year. Table 5 summarizes debt outstanding.

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2022	2021
Bonds:		
2017 Classroom Facilities Bonds	\$8,045,000	\$8,145,000
Premium on 2017 Classroom Facilities Bonds	435,030	445,442
Note Payable	685,000	785,000
Total Outstanding Debt at Year End	<u>\$9,165,030</u>	<u>\$9,375,442</u>

See Note 7 in the notes to the basic financial statements for further details on the District’s outstanding debt.

**St. Bernard-Elmwood Place City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)**

For the Future

Externally, the Ohio Supreme Court found the State of Ohio in March 1997, to be operating an unconstitutional educational system, one that was neither "adequate" nor "equitable." Since 1997, the State has directed its tax revenue growth toward school districts with little property tax wealth. In May of 2000, the Ohio Supreme Court again ruled that, while the State had made some progress, the current funding system for schools is far too dependent on property taxes which are inherently not "equitable" or "adequate". The Court directed the Governor and the legislature to address the fundamental issues creating the inequities. In 2001, the Ohio legislature crafted a school-funding program to address the Court's concerns.

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...".

The District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations, or if the State of Ohio will comply with the decision.

This scenario requires management to plan carefully and prudently to provide the resources to meet student needs over the next several years. Financially, the future of the District is not without challenges. Management must diligently plan future expenditures.

HB66 caused the district to lose over \$4,000,000 in local personal property tax revenue. During the fiscal years 2006 through 2010 the District was reimbursed for a portion of this lost revenue from the state based on the Districts fiscal year 2004 personal property tax collections. However, this reimbursement did not replace the anticipated tax revenues the District was expecting in fiscal years 2006 through 2010. For fiscal years 2011 through 2017 the reimbursement will be phased out completely. After fiscal year 2017, the District will only receive an increase in the foundation amount received from the state due to any decrease in valuation. The District will have further budget reductions up through 2018 as needed.

In June of 2013, the budget for 2014 and 2015 was passed (HB 59). District budget was increased by approximately \$250,000 per year. The District still receives \$2,724,638 payment for tangible personal property tax payments because of HB 66. The District was not required to repay any of this tangible personal property during this biennium.

In June of 2015, the budget for 2016 and 2017 was passed (HB 64). The gain cap was reduced to 7.5% which increased the budget as the district is consistently capped. The budget also introduced capacity aid which is aimed toward small, low income districts. St. Bernard-Elmwood Place benefits significantly from the new capacity funding. The new budget bill increases the district's funds in the short run. In the coming years the reduction of Tangible Personal Property Tax Reimbursement has a great impact on the district, specifically the taxpayers. The gain cap was set at 3% for fiscal years 2018 and 2019 by house bill 49. The new budget bill for 2020 and 2021 was set at the frozen funding level of 2019. In May of 2020 the state cut the district budget by \$121,000 due to COVID-19 cuts. The state announced the same cut would happen for 2021 as well.

As for 2022 and 2023, HB 110 the fair school funding plan was adopted. This new school funding formula is a complete overhaul of past attempts at funding education across Ohio. This funding plan looks at local incomes and property values to determine how much a district should be able to cover on its own. The base amount, or the cost to educate the average student, will be based on local costs instead of a single, statewide average. The new funding formula outlook seems to be promising for the

**St. Bernard-Elmwood Place City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
(Unaudited)**

school district in the short term. One note of caution is that the bill funds just two years of the six-year plan.

All of the District's financial abilities will be needed to meet the challenges of the future. With careful planning and monitoring of the District's finances, the District's management is confident that the District can continue to provide a quality education for our students and provide a secure financial future.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer at St. Bernard-Elmwood Place City School District, 105 Washington Avenue, St. Bernard, Ohio 45217.

St. Bernard-Elmwood Place City School District
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$30,656,088
Restricted Cash and Investments	671,488
Receivables (Net):	
Taxes	6,781,437
Accounts	5,283
Intergovernmental	5,029,730
Prepays	18,062
Inventory	20,914
Nondepreciable Capital Assets	34,187,993
Depreciable Capital Assets, Net	240,384
Net OPEB Asset	984,147
Total Assets	78,595,526
Deferred Outflows of Resources:	
Pension	3,018,797
OPEB	370,440
Total Deferred Outflows of Resources	3,389,237
Liabilities:	
Accounts Payable	81,267
Accrued Wages and Benefits	950,600
Contracts Payable	1,566,922
Retainage Payable	671,488
Accrued Interest Payable	29,772
Long-Term Liabilities:	
Due Within One Year	310,341
Due In More Than One Year:	
Net Pension Liability	7,789,519
Net OPEB Liability	955,188
Other Amounts	9,923,609
Total Liabilities	22,278,706
Deferred Inflows of Resources:	
Property Taxes	3,254,678
Grants and Other Taxes	54,722
OPEB	1,736,992
Pension	6,869,531
Total Deferred Inflows of Resources	11,915,923
Net Position:	
Net Investment in Capital Assets	26,597,907
Restricted for:	
Debt Service	682,147
Capital Projects	8,458,099
Other Grants	92,890
Capital Maintenance	375,623
District Managed Activities	59,940
State Grants	49,249
Other Purposes	320,769
Unrestricted	11,153,510
Total Net Position	\$47,790,134

See accompanying notes to the basic financial statements.

St. Bernard-Elmwood Place City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2022

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$4,141,546	\$138,393	\$976,236	(\$3,026,917)
Special	1,585,055	218,533	720,794	(645,728)
Other	164,870	0	197,518	32,648
Support Services:				
Pupil	800,574	0	426,530	(374,044)
Instructional Staff	656,618	0	450,669	(205,949)
General Administration	13,680	0	0	(13,680)
School Administration	880,958	0	0	(880,958)
Fiscal	526,866	0	567	(526,299)
Business	153,049	0	0	(153,049)
Operations and Maintenance	1,426,312	13,438	332,074	(1,080,800)
Pupil Transportation	301,875	0	30,090	(271,785)
Central	221,009	0	0	(221,009)
Operation of Non-Instructional Services	1,572,471	29,577	1,580,437	37,543
Extracurricular Activities	332,428	89,792	5,275	(237,361)
Interest and Fiscal Charges	349,872	0	0	(349,872)
Totals	\$13,127,183	\$489,733	\$4,720,190	(7,917,260)

General Revenues:

Property Taxes Levied for:

General Purposes	6,260,274
Special Revenue Purposes	50,917
Debt Service Purposes	549,197
Grants and Entitlements, Not Restricted	5,990,663
Revenue in Lieu of Taxes	54,722
Unrestricted Contributions	68
Investment Earnings	75,340
Other Revenues	34,099

Total General Revenues 13,015,280

Change in Net Position 5,098,020

Net Position - Beginning of Year 42,692,114

Net Position - End of Year \$47,790,134

See accompanying notes to the basic financial statements.

St. Bernard-Elmwood Place City School District
Balance Sheet
Governmental Funds
June 30, 2022

	General	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$21,462,487	\$3,440,183	\$5,753,418	\$30,656,088
Restricted Cash and Investments	0	569,132	102,356	671,488
Receivables (Net):				
Taxes	6,172,188	0	609,249	6,781,437
Accounts	1,169	0	4,114	5,283
Intergovernmental	74,436	4,948,652	6,642	5,029,730
Interfund	70,337	0	0	70,337
Prepays	15,802	0	2,260	18,062
Inventory	0	0	20,914	20,914
Total Assets	27,796,419	8,957,967	6,498,953	43,253,339
Liabilities:				
Accounts Payable	33,376	19,077	28,814	81,267
Accrued Wages and Benefits	819,374	0	131,226	950,600
Compensated Absences	48,711	0	0	48,711
Contracts Payable	0	1,313,493	253,429	1,566,922
Retainage Payable	0	569,132	102,356	671,488
Interfund Payable	0	0	70,337	70,337
Total Liabilities	901,461	1,901,702	586,162	3,389,325
Deferred Inflows of Resources:				
Property Taxes	3,522,188	0	359,249	3,881,437
Grants and Other Taxes	48,080	3,704,990	6,642	3,759,712
Total Deferred Inflows of Resources	3,570,268	3,704,990	365,891	7,641,149
Fund Balances:				
Nonspendable	15,802	0	2,260	18,062
Restricted	0	3,351,275	4,288,874	7,640,149
Assigned	335,342	0	1,385,703	1,721,045
Unassigned (Deficit)	22,973,546	0	(129,937)	22,843,609
Total Fund Balances	23,324,690	3,351,275	5,546,900	32,222,865
Total Liabilities, Deferred Inflows and Fund Balances	\$27,796,419	\$8,957,967	\$6,498,953	\$43,253,339

See accompanying notes to the basic financial statements.

St. Bernard-Elmwood Place City School District
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 June 30, 2022

Total Governmental Fund Balance		\$32,222,865
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets used in the operation of Governmental Funds		34,428,377
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Taxes	626,759	
Intergovernmental	<u>3,704,990</u>	
		4,331,749
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
		(29,772)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(1,020,209)
Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	3,018,797	
Deferred inflows of resources related to pensions	(6,869,531)	
Deferred outflows of resources related to OPEB	370,440	
Deferred inflows of resources related to OPEB	<u>(1,736,992)</u>	
		(5,217,286)
Long-term liabilities and net OPEB assets are not available to pay for current period expenditures and are not due and payable in the current period and, therefore, are not reported in the funds.		
Net OPEB Asset	984,147	
Net Pension Liability	(7,789,519)	
Net OPEB Liability	(955,188)	
Other Amounts	<u>(9,165,030)</u>	
		(16,925,590)
Net Position of Governmental Activities		<u>\$47,790,134</u>

See accompanying notes to the basic financial statements.

St. Bernard-Elmwood Place City School District
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2022

	General	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Taxes	\$6,425,045	\$0	\$619,059	\$7,044,104
Tuition and Fees	359,222	0	0	359,222
Investment Earnings	47,990	16,307	11,044	75,341
Intergovernmental	7,466,359	5,884,620	3,627,128	16,978,107
Extracurricular Activities	27,882	0	59,613	87,495
Charges for Services	0	0	29,577	29,577
Revenue in Lieu of Taxes	48,080	0	6,642	54,722
Other Revenues	15,032	0	32,571	47,603
Total Revenues	14,389,610	5,900,927	4,385,634	24,676,171
Expenditures:				
Current:				
Instruction:				
Regular	5,076,345	0	205,854	5,282,199
Special	1,483,326	0	318,346	1,801,672
Other	6,145	0	191,300	197,445
Support Services:				
Pupil	687,841	0	196,080	883,921
Instructional Staff	196,400	0	501,143	697,543
General Administration	15,720	0	0	15,720
School Administration	1,034,369	0	5,625	1,039,994
Fiscal	544,419	0	25,358	569,777
Business	4,260	198,535	22,773	225,568
Operations and Maintenance	996,112	83,075	338,222	1,417,409
Pupil Transportation	298,147	0	12,318	310,465
Central	245,464	4,256	488	250,208
Operation of Non-Instructional Services	0	0	1,643,604	1,643,604
Extracurricular Activities	254,780	0	127,514	382,294
Capital Outlay	0	10,685,899	2,349,659	13,035,558
Debt Service:				
Principal Retirement	0	0	200,000	200,000
Interest and Fiscal Charges	0	0	360,888	360,888
Total Expenditures	10,843,328	10,971,765	6,499,172	28,314,265
Excess of Revenues Over (Under) Expenditures	3,546,282	(5,070,838)	(2,113,538)	(3,638,094)
Other Financing Sources (Uses):				
Transfers In	0	508,005	183,500	691,505
Transfers (Out)	(183,500)	0	(508,005)	(691,505)
Total Other Financing Sources (Uses)	(183,500)	508,005	(324,505)	0
Net Change in Fund Balance	3,362,782	(4,562,833)	(2,438,043)	(3,638,094)
Fund Balance - Beginning of Year	19,961,908	7,914,108	7,984,943	35,860,959
Fund Balance - End of Year	\$23,324,690	\$3,351,275	\$5,546,900	\$32,222,865

See accompanying notes to the basic financial statements.

St. Bernard-Elmwood Place City School District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2022

Net Change in Fund Balance - Total Governmental Funds (\$3,638,094)

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

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

Capital assets used in governmental activities	13,429,141	
Depreciation Expense	<u>(82,897)</u>	
		13,346,244

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

District pension contributions	1,038,898	
Pension Expense	322,960	
District OPEB contributions	29,974	
OPEB Expense	<u>81,782</u>	
		1,473,614

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

Delinquent Property Taxes	(183,716)	
Intergovernmental	<u>(6,267,252)</u>	
		(6,450,968)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 200,000

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 604

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

Compensated Absences	156,208	
Amortization of Bond Premium	<u>10,412</u>	
		<u>166,620</u>

Change in Net Position of Governmental Activities \$5,098,020

See accompanying notes to the basic financial statements.

St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 1 – Description of the District

The St. Bernard-Elmwood Place City School District (the District) was chartered by the Ohio State Legislature in 1968. Prior to 1968, Elmwood Place and St. Bernard were separate school districts. Today, the District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code.

The District operates under a locally elected five member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies.

The District is the fifth smallest in Hamilton County in terms of enrollment. It currently operates two elementary schools (grades preschool-6 and grades K-6), and one junior/senior high school (grades 7-12).

Reporting Entity

In accordance with Governmental Accounting Standards Board (GASB) Statement 61, the reporting entity is comprised of the primary government, which consists of all funds, departments, boards, and agencies that are not legally separate from the District. This includes general operations, food service, and student related activities of the District.

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

The District is associated with two jointly governed organizations and one insurance purchasing pool. These organizations are:

Jointly Governed Organizations:

Hamilton Clermont Cooperative Information Technology Center
Great Oaks Career Campuses

Insurance Purchasing Pool:

Ohio Association of School Business Officials Workers' Compensation GRP

These organizations are presented in Note 11 and 12 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Measurement Focus

Government-wide Financial Statements

The government-wide statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the statement of net position. Fiduciary Funds are not included in government-wide statements.

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

Fund Financial Statements

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

The private purpose trust fund is reported using the economic resources measurement focus.

Fund Accounting

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

Governmental Funds

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

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

St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Classroom Facilities Fund – The classroom facilities fund accounts for monies received and expended in connection with contracts entered into by the school district and the Ohio Department of Education for the building and equipping of classroom facilities.

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources includes pension and other post employment benefits. These amounts are reported on the government-wide statement of net position. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 8 and 9.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources

St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

(revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, OPEB, and grants and other taxes. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance year 2022 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants and other taxes have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Deferred inflows related to pension and OPEB plans are reported on the governmental-wide statement of net position. For more pension and OPEB related information, see Notes 8 and 9.

Expenses/Expenditures

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

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

Equity in Pooled Cash and Investments

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as “Equity in Pooled Cash and Investments” on the financial statements.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposits and repurchase agreements are reported at cost.

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

There were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transaction to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2022 amounted to \$47,990 for the General Fund, \$16,307 for the Classroom Facilities Fund, and \$11,044 for Other Governmental Funds.

St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed/expensed when used. Inventory consists of food held for resale.

Prepaid Items

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

Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value. The District maintains a capitalization threshold of five thousand dollars (\$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's life are not.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	10-50 years
Equipment	5-20 years

Pensions/Other Postemployment Benefits (OPEB)

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

Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time, when earned, for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The entire compensated absence liability is reported on the government-wide financial statements.

St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

For governmental fund financial statements, the current portion of unpaid compensated absences are recognized when due. The related liability is recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid.

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

<u>Vacation</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How earned	Not Eligible	1.75-2.25 days per month	10-21 days for each service year depending on length of service.
Maximum Accumulation	Not Applicable	Per contract	Per contract
Vested	Not Applicable	As Earned	As Earned
Termination Entitlement	Not Applicable	Paid upon Termination	Paid upon Termination
<u>Sick Leave</u>			
How Earned	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)
Maximum Accumulation	260 days	Number of days in contract -- 275	Number of days in contract -- 215-260
Vested	As Earned	As Earned	As Earned
Termination Entitlement	Per Contract	Per Contract	Per Contract

Net Position

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

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the District’s \$10,038,717 in restricted net position, \$0 was restricted by enabling legislation.

St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Interfund Activity

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables”. These amounts are eliminated in the governmental activities column on the Statement of Net Position.

As a general rule, the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the Board of Education. Formal action by the Board of Education is needed to commit or rescind resources.

Assigned – resources that are intended to be used for specific purposes as approved through the District’s formal purchasing procedure by the Treasurer.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenditures for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

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

St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Estimates

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

Note 3 – Equity in Pooled Cash and Investments

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

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

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand.

Inactive Monies – Those monies not required for use within the current two year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies – 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 monies held by the District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States.
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met.
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.

St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
7. The State Treasurer's investment pool (STAR Ohio).
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2022, \$700,155 of the District's bank balance of \$5,738,942 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

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

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

St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Investments

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

Investment Type	Measurement Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
STAR Ohio	\$24,996,763	N/A	0.15
Money Market	623,918		
Total Net Asset Value	\$25,621,181		
Portfolio Weighted Average Maturity			0.15

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the District’s recurring fair value measurements as of June 30, 2022. STAR Ohio is reported at its share price (Net Asset Value per share.)

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

Credit Risk – It is the District’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. Investments in STAR Ohio were rated AAAM by Standard & Poor’s.

Concentration of Credit Risk – The District’s investment policy allows investments in Federal Agencies or Instrumentalities. The District has invested 100% in Star Ohio.

Custodial Credit Risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Note 4 – Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real and public utility property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on real property at 35 percent of true value.

Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. The District receives property taxes from Hamilton County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2022, are available to finance fiscal year 2023 operations. The amount available for advance can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property and public utility taxes which became measurable at June 30, 2022. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2022. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred inflows for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2022, was \$2,650,000 for General Fund, \$230,000 for the Debt Service Fund and \$20,000 for the Classroom Maintenance Fund, and is recognized as revenue.

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

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

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$101,183,790
Public Utility Personal	<u>13,766,420</u>
Total	<u><u>\$114,950,210</u></u>

Note 5 – Receivables

Receivables at June 30, 2022, consisted of taxes, accounts, intergovernmental grants, and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

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St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 6 – Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$306,322	\$0	\$0	\$306,322
Construction in Progress	20,457,530	13,424,141	0	33,881,671
Total Capital Assets, not being depreciated	20,763,852	13,424,141	0	34,187,993
Capital Assets, being depreciated:				
Buildings and Improvements	8,305,792	0	0	8,305,792
Equipment	2,285,069	5,000	0	2,290,069
Total Capital Assets, being depreciated:	<u>10,590,861</u>	<u>5,000</u>	<u>0</u>	<u>10,595,861</u>
Totals at Historical Cost	<u>31,354,713</u>	<u>13,429,141</u>	<u>0</u>	<u>44,783,854</u>
Less Accumulated Depreciation:				
Buildings and Improvements	8,188,976	22,482	0	8,211,458
Equipment	2,083,604	60,415	0	2,144,019
Total Accumulated Depreciation	<u>10,272,580</u>	<u>82,897</u>	<u>0</u>	<u>10,355,477</u>
Governmental Activities Capital Assets, Net	<u>\$21,082,133</u>	<u>\$13,346,244</u>	<u>\$0</u>	<u>\$34,428,377</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$21,521
Support Services:	
Instructional Staff	807
School Administration	200
Fiscal	1,096
Operations and Maintenance	38,739
Pupil Transportation	8,487
Central	1,811
Operation of Non-Instructional Services	<u>10,236</u>
Total Depreciation Expense	<u>\$82,897</u>

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St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 7 – Long-Term Liabilities

Long- term liability activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
Governmental Activities:					
<u>Bonds</u>					
2017 Classroom Facilities Bonds	\$8,145,000	\$0	\$100,000	\$8,045,000	\$105,000
Premium on 2017 Classroom Facilities Bonds	445,442	0	10,412	435,030	0
Subtotal Bonds	8,590,442	0	110,412	8,480,030	105,000
<u>Other Amounts</u>					
Note Payable, Series 2018	785,000	0	100,000	685,000	105,000
Compensated Absences	1,300,601	4,260	235,941	1,068,920	100,341
Subtotal Bonds & Other Amounts	10,676,043	4,260	446,353	10,233,950	310,341
<u>Net Pension Liability:</u>					
STRS	11,926,736	0	5,958,661	5,968,075	0
SERS	3,217,225	0	1,395,781	1,821,444	0
Subtotal Net Pension Liability	15,143,961	0	7,354,442	7,789,519	0
<u>Net OPEB Liability:</u>					
STRS	0	0	0	0	0
SERS	1,091,075	0	135,887	955,188	0
Subtotal Net OPEB Liability	1,091,075	0	135,887	955,188	0
Total Long-Term Obligations	<u>\$26,911,079</u>	<u>\$4,260</u>	<u>\$7,936,682</u>	<u>\$18,978,657</u>	<u>\$310,341</u>

Bond and note payments will be paid from the debt service fund. Compensated absences will be paid from the fund from which the person is paid. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from their service.

Classroom Facilities Bonds - On May 3, 2017 the District issued \$8,650,000 in classroom facilities bonds for the purpose of constructing a new school building. The bonds were issued for a thirty-seven year period with a final maturity of December 1, 2053. The bonds will be retired from the Debt Service Fund.

Principal and interest requirements for governmental activities to retire bonds outstanding at June 30, 2022, are as follows:

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St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ending June 30	General Obligation Bonds			Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$105,000	\$332,900	\$437,900	\$105,000	\$20,556	\$125,556
2024	110,000	328,600	438,600	110,000	17,063	127,063
2025	115,000	324,100	439,100	110,000	13,488	123,488
2026	120,000	319,400	439,400	115,000	9,831	124,831
2027	125,000	314,500	439,500	120,000	6,012	126,012
2028-2032	750,000	1,488,200	2,238,200	125,000	2,031	127,031
2033-2037	960,000	1,309,375	2,269,375	0	0	0
2038-2042	1,255,000	1,042,725	2,297,725	0	0	0
2043-2047	1,600,000	746,600	2,346,600	0	0	0
2048-2052	1,985,000	389,900	2,374,900	0	0	0
2053-2054	920,000	37,200	957,200	0	0	0
Total	<u>\$8,045,000</u>	<u>\$6,633,500</u>	<u>\$14,678,500</u>	<u>\$685,000</u>	<u>\$68,981</u>	<u>\$753,981</u>

Note 8 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

Ohio Revised Code limits the 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

St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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 9 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description

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

Age and service requirements for retirement are as follows:

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

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.20% for the first thirty years of service and 2.50% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.50% and with a floor of 0.00%. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 0.50% COLA for calendar year 2021 and 2.50% for 2022.

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St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 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 \$252,366 for fiscal year 2022. Of this amount \$40,496 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

Plan Description

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% 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 0.00% to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53% of the 14.00% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47% of the 14.00% 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.

St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12.00% of the 14.00% member rate is deposited into the member's DC account and the remaining 2.00% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy

Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2022 employer and employee contribution rate of 14.00% 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 \$786,532 for fiscal year 2022. Of this amount \$97,559 is reported as accrued wages and benefits.

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

The net pension liability was measured as of June 30, 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 contributions of all participating entities. Following is information related to the proportionate share and pension expense:

St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$1,821,444	\$5,968,075	\$7,789,519
Proportion of the Net Pension Liability:			
Current Measurement Date	0.04936550%	0.04667701%	
Prior Measurement Date	<u>0.04864110%</u>	<u>0.04929128%</u>	
Change in Proportionate Share	0.00072440%	-0.00261427%	
Pension Expense	(\$20,836)	(\$302,124)	(\$322,960)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$176	\$184,385	\$184,561
Changes of assumptions	38,354	1,655,651	1,694,005
Changes in employer proportionate share of net pension liability	27,490	73,843	101,333
Contributions subsequent to the measurement date	<u>252,366</u>	<u>786,532</u>	<u>1,038,898</u>
Total Deferred Outflows of Resources	<u>\$318,386</u>	<u>\$2,700,411</u>	<u>\$3,018,797</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$47,237	\$37,408	\$84,645
Net difference between projected and actual earnings on pension plan investments	938,097	5,143,338	6,081,435
Changes in employer proportionate share of net pension liability	<u>18,392</u>	<u>685,059</u>	<u>703,451</u>
Total Deferred Inflows of Resources	<u>\$1,003,726</u>	<u>\$5,865,805</u>	<u>\$6,869,531</u>

\$1,038,898 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year			
Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2023	(\$232,082)	(\$1,100,466)	(\$1,332,548)
2024	(194,640)	(858,212)	(1,052,851)
2025	(223,046)	(859,607)	(1,082,653)
2026	<u>(287,939)</u>	<u>(1,133,641)</u>	<u>(1,421,579)</u>
Total	<u>(\$937,706)</u>	<u>(\$3,951,925)</u>	<u>(\$4,889,632)</u>

St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Actuarial Assumptions - SERS

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

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

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

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

	June 30, 2021	June 30, 2020
Inflation	2.40%	3.00%
Future Salary Increases, including inflation	3.25% to 13.58%	3.50% to 18.20%
COLA or Ad Hoc COLA	2.00%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2.50%
Investment Rate of Return	7.00% net of system expenses	7.50% net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

Mortality rates for 2021 were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% 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 103.30% for males and set forward 3 years and adjusted 106.80% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Mortality rates for 2020 were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120.00% of male rates, and 110.00% of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90.00% for male rates

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and 100.00% for female rates, set back five years is used for the period after disability retirement.

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

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

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 for 2021 was calculated using the discount rate of 7.00%. The discount rate for 2020 was 7.50%. 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 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 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$3,030,435	\$1,821,444	\$801,849

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For the Fiscal Year Ended June 30, 2022

Actuarial Assumptions - STRS

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

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 investments expense, including inflation	7.45% net of investments expense, 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%

Post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Table with 50.00% of rates through age 69, 70.00% of rates between ages 70 and 79, 90.00% of rates between ages 80 and 84, and 100.00% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90.00% of rates for males and 100.00% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

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

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

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

*10 Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25%, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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Discount Rate

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

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$11,175,970	\$5,968,075	\$1,567,414

Changes Between the Measurement Date and the Reporting date

In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. These demographic measures include retirement, salary increase, disability/termination and mortality assumptions. In March 2022, the STRS Board approved benefit plan changes to take effect on July 1, 2022. These changes include a one-time three percent cost-of-living increase (COLA) to be paid to eligible benefit recipients and the elimination of the age 60 requirement for retirement age and service eligibility that was set to take effect in 2026. The effect on the net pension liability is unknown.

Note 9 - Defined Benefit OPEB Plans

See Note 8 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. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore

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enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

Funding Policy

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14.00% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2022, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.00% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.50% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the District's surcharge obligation was \$29,974.

The surcharge, added to the allocated portion of the 14.00% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$29,974 for fiscal year 2022.

Plan Description - State Teachers Retirement System (STRS)

Plan Description

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

Funding Policy

Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14.00% of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$955,188	\$0	\$955,188
Proportionate Share of the Net OPEB (Asset)	0	(984,147)	(984,147)
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.05047010%	0.04667701%	
Prior Measurement Date	<u>0.05020300%</u>	<u>0.04929128%</u>	
Change in Proportionate Share	0.00026710%	-0.00261427%	
OPEB Expense	\$4,633	(\$86,416)	(\$81,783)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$10,182	\$35,043	\$45,225
Changes of assumptions	149,846	62,863	212,709
Changes in employer proportionate share of net OPEB liability	78,240	4,292	82,532
Contributions subsequent to the measurement date	<u>29,974</u>	<u>0</u>	<u>29,974</u>
Total Deferred Outflows of Resources	<u>\$268,242</u>	<u>\$102,198</u>	<u>\$370,440</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$475,727	\$180,314	\$656,041
Changes of assumptions	130,805	587,116	717,921
Net difference between projected and actual earnings on OPEB plan investments	20,752	272,788	293,540
Changes in employer proportionate share of net OPEB liability	<u>9,941</u>	<u>59,549</u>	<u>69,490</u>
Total Deferred Inflows of Resources	<u>\$637,225</u>	<u>\$1,099,767</u>	<u>\$1,736,992</u>

\$29,974 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Fiscal Year			
Ending June 30:	SERS	STRS	Total
2023	(\$86,441)	(\$286,489)	(\$372,930)
2024	(86,586)	(279,662)	(366,249)
2025	(86,925)	(277,242)	(364,166)
2026	(80,924)	(116,028)	(196,953)
2027	(45,073)	(38,825)	(83,897)
Thereafter	(13,007)	677	(12,331)
Total	<u>(\$398,956)</u>	<u>(\$997,570)</u>	<u>(\$1,396,526)</u>

Actuarial Assumptions - SERS

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

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

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

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

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For the Fiscal Year Ended June 30, 2022

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

For 2021, mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% 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 103.30% for males and set forward 3 years and adjusted 106.80% for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.50% for males and adjusted 122.50% for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

For 2020, mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120.00% of male rates and 110.00% of female rates. RP-2000 Disabled Mortality Table with 90.00% for male rates and 100.00% for female rates set back five years.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 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.

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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 Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates

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

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	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
Proportionate share of the net OPEB liability	\$1,183,594	\$955,188	\$772,721
	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
Proportionate share of the net OPEB liability	\$735,416	\$955,188	\$1,248,735

Actuarial Assumptions - STRS

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

	June 30, 2021	June 30, 2020
Projected salary increases	12.50% 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%
Discount Rate of Return	7.00%	7.45%
Health Care Cost Trends:		
Medical		
Pre-Medicare	5.00% initial, 4.00% ultimate	5.00% initial, 4.00% ultimate
Medicare	-16.18% initial, 4.00% ultimate	-6.69% initial, 4.00% ultimate
Prescription Drug		
Pre-Medicare	6.50% initial, 4.00% ultimate	6.50% initial, 4.00% ultimate
Medicare	29.98% initial, 4.00% ultimate	11.87% initial, 4.00% ultimate

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

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50.00% of rates through age 69, 70.00% of rates between ages 70 and 79, 90.00% of rates between ages 80 and 84, and 100.00% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90.00% of rates for males and 100.00% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

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

The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.10% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1,

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2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

*10 Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25%, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate

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

Sensitivity of the Proportionate Share of the Net OPEB (Asset) to Changes in the Discount and Health Care Cost Trend Rate

The following table represents the net OPEB asset as of June 30, 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.

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	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate share of the net OPEB (asset)	(\$830,467)	(\$984,147)	(\$1,112,522)
	1% Decrease <u></u>	Current Trend Rate <u></u>	1% Increase <u></u>
Proportionate share of the net OPEB (asset)	(\$1,107,320)	(\$984,147)	(\$831,830)

Changes Between the Measurement Date and the Reporting date

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

Note 10 – Contingent Liabilities/Gain

Foundation Funding

District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. Additional ODE adjustments for fiscal year 2022 have been finalized. FTE adjustments were not significant to the District.

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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds.

However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of June 30, 2022.

Litigation

The District's attorney estimates that all other potential claims against the District not covered by insurance resulting from all other litigation would not materially affect the financial statements of the District.

Construction Related Liquidated Damages

The District's general contractor for the building construction project has exceeded its time commitment and begun accruing liquidated damages with OFCC and the District. There is an unknown possible recovery of damages that the District could be entitled to, but at this time that amount is not known and not recognized by the District.

Note 11 - Jointly Governed Organizations

The Hamilton Clermont Cooperative Information Technology Center (HCC) is a jointly governed organization. The organization was formed for the purpose of applying modern technology, with the aid of computers and other electronic equipment, to administrative and instructional functions among member districts. Each of the governments of these schools supports HCC and shares in a percentage of the equity based on the resources provided. HCC is governed by a board of directors consisting of the superintendents or designees of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the board. Financial information can be obtained by writing to HCC Information Technology Center, the Executive Director, 7615 Harrison Avenue, Cincinnati, Ohio 45231-3107.

Great Oaks Career Campuses (Great Oaks), a jointly governed organization, is a distinct political subdivision of the State of Ohio which operates under the direction of a board consisting of a representative from each participating school district's elected board. That board possesses its own budgeting and taxing authority. Great Oaks provides academic preparation and job training which lead to employment and/or further education upon graduation from high school. The District has no ongoing financial interest in or responsibility for the Vocational School. To obtain financial information write to the Great Oaks Career Campuses, 3254 East Kemper Road, Cincinnati, Ohio 45241-1581.

Note 12 – OASBO Group Rating Program

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

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the GRP.

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St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 13 – Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The District carries insurance coverage with the following companies:

<u>Coverage</u>	<u>Company</u>
Automobile	Liberty Mutual Insurance Company
Property	Liberty Mutual Insurance Company
General Liability	Liberty Mutual Insurance Company

Limits and deductible amounts for the above policies vary accordingly.

<u>Coverage</u>	<u>Limits</u>	<u>Deductibles</u>
Automobile	\$1,000,000 each occurrence	\$1,000 collision
Property	Covered for value of loss	\$2,500 each loss
General Liability	\$1,000,000 each occurrence	\$3,000,000 general aggregate

The District pays the State of Ohio Bureau of Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

There were no significant reductions in insurance coverage from the prior year. Also, there were no settlements that exceeded insurance coverage for the past three years.

The District participates in the Greater Cincinnati Insurance Consortium, an insurance purchasing pool. The District can obtain better coverage and/or lower premiums by purchasing health, dental, and life insurance benefits through the pool. Greater Cincinnati Insurance Consortium (GCIC) Self-Insurance Program is comprised of other area school districts. Each member pays an administrative fee to the pool. Each school district has a representative on the assembly (usually the superintendent or designee).

Note 14 – Accountability

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

<u>Funds</u>	<u>Deficit</u>
Other Governmental Funds	
Poverty Aid	\$ 15,449
Title I	42,985
IDEA Preschool	896
Special Education	35,192
Improving Teacher Quality	2,150
Drug free schools	578
Food Services	9,503
ESSER	21,722

St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

The deficit in fund balance was primarily due to accruals in GAAP. The general fund is liable for any deficit in these funds and will provide operating transfers when cash is required not when accruals occur.

Note 15 – Set-Asides

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

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

	<u>Capital Acquisition</u>
Set Aside Reserve Balance as of June 30, 2020	\$0
Current Year Set Aside Requirements	148,040
Qualified Disbursements	(2,522,745)
Current Year Offsets	<u>0</u>
Set Aside Reserve Balance as of June 30, 2021	<u><u>(\$2,374,705)</u></u>

Qualified disbursements for capital activity during the year was \$2,522,745 which exceeded the amount required for set-aside.

Note 16 – Interfund Transactions

Interfund transactions at June 30, 2022, consisted of the following interfund receivables, interfund payables, transfers in and transfers out:

	Interfund		Transfers	
	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General Fund	\$70,337	\$0	\$0	\$183,500
Classroom Facilities	0	0	508,005	0
Other Governmental Funds	<u>0</u>	<u>70,337</u>	<u>183,500</u>	<u>508,005</u>
Total All Funds	<u><u>\$70,337</u></u>	<u><u>\$70,337</u></u>	<u><u>\$691,505</u></u>	<u><u>\$691,505</u></u>

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

Note 17 – Fund Balances

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

St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Fund Balances	General	Classroom Facilities	Other Governmental Funds	Total
Nonspendable:				
Prepays	\$15,802	\$0	\$2,260	\$18,062
Total Nonspendable	15,802	0	2,260	18,062
Restricted for:				
Other Grants	0	0	92,428	92,428
Classroom Maintenance	0	0	370,899	370,899
Student Activity	0	0	29,810	29,810
Auxiliary Services	0	0	98,023	98,023
Data Communication	0	0	5,196	5,196
Core	0	0	8,778	8,778
Food Service	0	0	0	0
Wellness Initiative	0	0	35,275	35,275
Student Activity	0	0	30,130	30,130
Private Purpose Trust	0	0	222,410	222,410
Debt Service	0	0	659,531	659,531
Building	0	0	2,736,394	2,736,394
Classroom Facilities	0	3,351,275	0	3,351,275
Total Restricted	0	3,351,275	4,288,874	7,640,149
Assigned to:				
Encumbrances	311,149	0	0	311,149
Permanent Improvement	0	0	1,385,703	1,385,703
Public Schools	24,193	0	0	24,193
Total Assigned	335,342	0	1,385,703	1,721,045
Unassigned (Deficit)	22,973,546	0	(129,937)	22,843,609
Total Fund Balance	\$23,324,690	\$3,351,275	\$5,546,900	\$32,222,865

Note 18 – Tax Abatements Entered Into by Other Governments

Other governments entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) program with the taxing districts of the District. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing districts of the District, the Village of St. Bernard has entered into such an agreement. Under this agreement the District’s property taxes were reduced by approximately \$20,666. The District is not receiving any amounts from this other government in association with the forgone property tax revenue.

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St. Bernard-Elmwood Place City School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 19 – Implementation of New Accounting Principles and Restatement of Net Position/Fund Balance

New Accounting Principles

For fiscal year 2022, the School District implemented GASB Statement No. 87, Leases and related guidance from (GASB) Implementation Guide No. 2019-3, and GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period.

GASB Statement No. 87 sets out to improve the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, 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, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of GASB Statement No. 87 did not have an effect on the financial statements of the School District.

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement 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. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in 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 School District.

Note 20 – COVID-19

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

REQUIRED SUPPLEMENTARY INFORMATION

St. Bernard-Elmwood Place City School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Liability
 School Employees Retirement System of Ohio
 Last Nine Fiscal Years (1) (2)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.04936550%	\$1,821,444	\$1,703,971	106.89%	82.86%
2021	0.04864110%	3,217,225	1,704,200	188.78%	68.55%
2020	0.05000760%	2,992,042	1,716,556	174.31%	70.85%
2019	0.04648110%	2,662,059	1,569,919	169.57%	71.36%
2018	0.04590540%	2,742,746	1,461,207	187.70%	69.50%
2017	0.04919800%	3,600,840	1,823,021	197.52%	62.98%
2016	0.05028790%	2,869,476	1,837,405	156.17%	69.16%
2015	0.05283900%	2,674,152	1,550,916	172.42%	71.70%
2014	0.05283900%	3,143,109	1,616,575	194.43%	65.52%

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

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

See accompanying notes to the required supplementary information.

St. Bernard-Elmwood Place City School District
 Required Supplementary Information
 Schedule of the District's Contributions for Net Pension Liability
 School Employees Retirement System of Ohio
 Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2022	\$252,366	(\$252,366)	\$0	\$1,802,614	14.00%
2021	238,556	(238,556)	0	1,703,971	14.00%
2020	238,588	(238,588)	0	1,704,200	14.00%
2019	231,735	(231,735)	0	1,716,556	13.50%
2018	211,939	(211,939)	0	1,569,919	13.50%
2017	204,569	(204,569)	0	1,461,207	14.00%
2016	255,223	(255,223)	0	1,823,021	14.00%
2015	242,170	(242,170)	0	1,837,405	13.18%
2014	214,957	(214,957)	0	1,550,916	13.86%
2013	223,734	(223,734)	0	1,616,575	13.84%

See accompanying notes to the required supplementary information.

St. Bernard-Elmwood Place City School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Nine Fiscal Years (1) (2)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.04667701%	\$5,968,075	\$5,851,450	101.99%	87.78%
2021	0.04929128%	11,926,736	5,993,014	199.01%	75.48%
2020	0.04869131%	10,767,791	5,982,286	179.99%	77.40%
2019	0.05025968%	11,050,975	5,967,700	185.18%	77.30%
2018	0.05318994%	12,635,384	5,888,764	214.57%	75.30%
2017	0.05295474%	17,725,547	5,633,793	314.63%	66.80%
2016	0.05411712%	14,956,389	5,846,693	255.81%	72.10%
2015	0.05566668%	13,540,063	6,125,108	221.06%	74.70%
2014	0.05566668%	16,085,400	6,381,654	252.06%	69.30%

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

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

See accompanying notes to the required supplementary information.

St. Bernard-Elmwood Place City School District
 Required Supplementary Information
 Schedule of the District's Contributions for Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2022	\$786,532	(\$786,532)	\$0	\$5,618,086	14.00%
2021	819,203	(819,203)	0	5,851,450	14.00%
2020	839,022	(839,022)	0	5,993,014	14.00%
2019	837,520	(837,520)	0	5,982,286	14.00%
2018	835,478	(835,478)	0	5,967,700	14.00%
2017	824,427	(824,427)	0	5,888,764	14.00%
2016	788,731	(788,731)	0	5,633,793	14.00%
2015	818,537	(818,537)	0	5,846,693	14.00%
2014	796,264	(796,264)	0	6,125,108	13.00%
2013	829,615	(829,615)	0	6,381,654	13.00%

See accompanying notes to the required supplementary information.

St. Bernard-Elmwood Place City School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net OPEB Liability
 School Employees Retirement System of Ohio
 Last Six Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2022	0.05047010%	\$955,188	\$1,703,971	56.06%	24.08%
2021	0.05020300%	1,091,075	1,704,200	64.02%	18.17%
2020	0.05068460%	1,274,611	1,716,556	74.25%	15.57%
2019	0.04659990%	1,292,807	1,569,919	82.35%	13.57%
2018	0.04603700%	1,235,512	1,461,207	84.55%	12.46%
2017	0.04940130%	1,408,120	1,823,021	77.24%	11.49%

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

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

See accompanying notes to the required supplementary information.

St. Bernard-Elmwood Place City School District
 Required Supplementary Information
 Schedule of the District's Contributions for Net OPEB Liability
 School Employees Retirement System of Ohio
 Last Seven Fiscal Years (1) (2)

Year	District's Contractually Required Contribution (2)	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2022	\$29,974	(\$29,974)	\$0	\$1,802,614	0.31%
2021	30,427	(30,427)	0	1,703,971	1.79%
2020	30,966	(30,966)	0	1,704,200	1.82%
2019	36,879	(36,879)	0	1,716,556	2.15%
2018	30,560	(30,560)	0	1,569,919	1.95%
2017	22,564	(22,564)	0	1,461,207	1.54%
2016	23,043	(23,043)	0	1,823,021	1.26%

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

(2) Includes surcharge.

See accompanying notes to the required supplementary information.

St. Bernard-Elmwood Place City School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net OPEB (Asset)/Liability
 State Teachers Retirement System of Ohio
 Last Six Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB (Asset)/Liability	District's Proportionate Share of the Net OPEB (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset)/Liability
2022	0.04667701%	(\$984,147)	\$5,851,450	(16.82%)	174.73%
2021	0.04929128%	(866,294)	5,993,014	(14.46%)	182.13%
2020	0.04869131%	(806,445)	5,982,286	(13.48%)	174.74%
2019	0.05025968%	(807,622)	5,967,700	(13.53%)	176.00%
2018	0.05318994%	2,075,275	5,888,764	35.24%	47.10%
2017	0.05295474%	2,832,033	5,633,793	50.27%	37.30%

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

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

See accompanying notes to the required supplementary information.

St. Bernard-Elmwood Place City School District
 Required Supplementary Information
 Schedule of the District's Contributions for Net OPEB (Asset)/Liability
 State Teachers Retirement System of Ohio
 Last Seven Fiscal Years (1)

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2022	\$0	\$0	\$0	\$5,618,086	0.00%
2021	0	0	0	5,851,450	0.00%
2020	0	0	0	5,993,014	0.00%
2019	0	0	0	5,982,286	0.00%
2018	0	0	0	5,967,700	0.00%
2017	0	0	0	5,888,764	0.00%
2016	0	0	0	5,633,793	0.00%

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

See accompanying notes to the required supplementary information.

St. Bernard-Elmwood Place City School District
 Schedule 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

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$6,218,124	\$6,218,121	\$6,225,045	\$6,924
Revenue in lieu of taxes	48,027	48,027	48,080	53
Tuition and Fees	358,318	358,318	358,717	399
Investment Earnings	47,937	47,937	47,990	53
Intergovernmental	7,584,790	7,584,786	7,593,232	8,446
Extracurricular Activities	26,648	26,648	26,678	30
Other Revenues	15,326	15,326	15,343	17
Total Revenues	14,299,170	14,299,163	14,315,085	15,922
Expenditures:				
Current:				
Instruction:				
Regular	6,274,900	4,490,260	5,330,848	622,507
Special	1,799,742	1,707,518	1,528,973	178,545
Other	7,233	6,863	6,145	718
Support Services:				
Pupil	817,195	775,320	694,249	81,071
Instructional Staff	233,827	221,845	198,648	23,197
General Administration	18,786	17,824	15,960	1,864
School Administration	1,248,969	1,184,968	1,061,063	123,905
Fiscal	652,133	618,715	554,020	64,695
Business	56,709	53,803	48,177	5,626
Operations and Maintenance	1,355,981	1,286,496	1,151,975	134,521
Pupil Transportation	372,333	353,254	316,316	36,938
Central	309,611	293,745	263,030	30,715
Extracurricular Activities	299,711	284,353	254,620	29,733
Total Expenditures	13,447,130	11,294,964	11,424,024	1,334,035
Excess of Revenues Over (Under) Expenditures	852,040	3,004,199	2,891,061	1,349,957
Other Financing Sources (Uses):				
Advances In	450,859	450,859	451,361	502
Advances (Out)	(64,608)	(61,298)	(54,888)	6,410
Transfers (Out)	(215,996)	(204,928)	(183,500)	21,428
Total Other Financing Sources (Uses)	170,255	184,633	212,973	28,340
Net Change in Fund Balance	1,022,295	1,725,737	3,104,034	1,378,297
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	18,007,057	18,007,057	18,007,057	0
Fund Balance - End of Year	\$19,029,352	\$19,732,794	\$21,111,091	\$1,378,297

See accompanying notes to the required supplementary information.

St. Bernard-Elmwood Place City School District
Notes to the Required Supplementary Information
For The Year Ended June 30, 2022

Note 1 – Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2022.

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as an assignment of fund balance (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.

St. Bernard-Elmwood Place City School District
Notes to the Required Supplementary Information
For The Year Ended June 30, 2022

The following table summarizes the adjustments necessary to reconcile the GAAP basis to the budgetary basis for the general fund.

Net Change in Fund Balance	
	General
GAAP Basis	\$3,362,782
Revenue Accruals	(74,525)
Expenditure Accruals	(258,513)
Transfers In	451,361
Advances (Out)	(54,888)
Encumbrances	(322,183)
Budget Basis	\$3,104,034

Note 2 - Net Pension Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2022: Cost of Living Adjustments (COLA) increased from 0.50% to 2.50%.

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

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

2018: SERS changed from a fixed 3.00% annual increase to a Cost of Living Adjustments (COLA) based on the changed in the Consumer Price Index Index (CPI-W), with a cap of 2.50% and a floor of 0.00%.

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

Changes in Assumptions:

2022: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.00% to 2.40%,
- (2) Payroll growth assumption was reduced from 3.50% to 1.75%,
- (3) Assumed real wage growth was increased from 0.50% to 0.85%,
- (4) Cost of Living Adjustments (COLA) was reduced from 2.50% to 2.00%,
- (5) The discount rate was reduced from 7.50% to 7.00%,
- (6) Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and,
- (7) Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

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

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

St. Bernard-Elmwood Place City School District
Notes to the Required Supplementary Information
For The Year Ended June 30, 2022

measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates,
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, and
- (8) The discount rate was reduced from 7.75% to 7.50%.

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

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

2019-2022: There were no changes in benefit terms from the amounts reported for these fiscal years.

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

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

Changes in Assumptions:

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

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

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

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

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

St. Bernard-Elmwood Place City School District
Notes to the Required Supplementary Information
For The Year Ended June 30, 2022

Note 3 - Net OPEB (Asset)/Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2017-2022: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2022: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
 - Prior Measurement Date 2.63%
 - Measurement Date 2.27%
- (2) Investment Rate of Return:
 - Prior Measurement Date 7.50%
 - Measurement Date 7.00%
- (3) Assumed Rate of Inflation:
 - Prior Measurement Date 3.00%
 - Measurement Date 2.40%
- (4) Payroll Growth Assumption:
 - Prior Measurement Date 3.50%
 - Measurement Date 1.75%
- (5) Assumed Real Wage Growth:
 - Prior Measurement Date 0.50%
 - Measurement Date 0.85%
- (6) Municipal Bond Index Rate:
 - Prior Measurement Date 2.45%
 - Measurement Date 1.92%
- (7) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
 - Prior Measurement Date 2.63%
 - Measurement Date 2.27%
- (8) Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- (9) Rate of health care participation for future retirees and spouses was updated to reflect recent.
- (10) Mortality among active members was updated to the following:
 - a. PUB-2010 General Amount Weighted Below Median Employee mortality table.
- (11) Mortality among service retired members was updated to the following:
 - a. PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.
- (12) Mortality among beneficiaries was updated to the following:
 - a. PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.
- (13) Mortality among disabled member was updated to the following:
 - a. 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.
- (14) Mortality rates are projected using a fully generational projection with Scale MP-2020.

St. Bernard-Elmwood Place City School District
Notes to the Required Supplementary Information
For The Year Ended June 30, 2022

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

- (1) Discount Rate:

Prior Measurement Date	3.22%
Measurement Date	2.63%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.13%
Measurement Date	2.45%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.22%
Measurement Date	2.63%

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

- (1) Discount Rate:

Prior Measurement Date	3.70%
Measurement Date	3.22%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.62%
Measurement Date	3.13%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.70%
Measurement Date	3.22%

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

- (1) Discount Rate:

Prior Measurement Date	3.63%
Measurement Date	3.70%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.56%
Measurement Date	3.62%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.63%
Measurement Date	3.70%

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

- (1) Discount Rate:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%
- (2) Municipal Bond Index Rate:

Fiscal Year 2018	3.56%
Fiscal Year 2017	2.92%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal Year 2018	3.63%
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St. Bernard-Elmwood Place City School District
Notes to the Required Supplementary Information
For The Year Ended June 30, 2022

Fiscal Year 2017

2.98%

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

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

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

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.

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

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

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

St. Bernard-Elmwood Place City School District
Notes to the Required Supplementary Information
For The Year Ended June 30, 2022

2018: The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.10% to 1.90% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

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

Changes in Assumptions:

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

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

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

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

2018: The discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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

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**ST. BERNARD-ELMWOOD PLACE CITY SCHOOL DISTRICT
HAMILTON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Federal Grantor/ Pass Through Grantor / Program Title	Grant Year	Federal AL Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through The Ohio Department of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	2022	10.553	\$ 60,454
National School Lunch Program	2022	10.555	348,497
COVID-19 National School Lunch Program	2021	10.555	34,419
COVID-19 National School Lunch Program	2022	10.555	17,699
Non-Cash Assistance (Food Distribution)	2022	10.555	30,007
Total National School Lunch Program			<u>430,622</u>
Total Child Nutrition Cluster			<u>491,076</u>
Total U.S. Department of Agriculture			<u>491,076</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through The Ohio Department of Education:</i>			
Title I Grants to Local Educational Agencies	2021	84.010	34,617
Title I Grants to Local Educational Agencies	2022	84.010	604,367
Title I Expanding Opportunitites	2022	84.010	12,612
Total Title I Grants to Local Educational Agencies			<u>651,596</u>
Special Education Cluster (IDEA):			
Special Education Grants to States	2021	84.027	26,598
Special Education Grants to States	2022	84.027	314,608
COVID-19 Special Education Grants to States	2022	84.027	57,091
Total Special Education Grants to States			<u>398,297</u>
Special Education Preschool Grant- Restoration	2021	84.173	1,199
Special Education Preschool Grant	2021	84.173	788
Special Education Preschool Grant	2022	84.173	8,711
COVID-19 Special Education Preschool Grant	2022	84.173	3,943
Total Special Education Preschool Grant			<u>14,641</u>
Total Special Education Cluster (IDEA):			<u>412,938</u>
English Language Acquisition State Grants	2021	84.365	11,000
English Language Acquisition State Grants	2022	84.365	17,448
Total English Language Acquisition State Grants			<u>28,448</u>
Title II-A Improving Teacher Quality State Grants	2021	84.367	6,088
Title II-A Improving Teacher Quality State Grants	2022	84.367	44,937
Total Title II-A Improving Teacher Quality State Grants			<u>51,025</u>
Student Support and Academic Enrichment	2021	84.424	8,130
Student Support and Academic Enrichment	2022	84.424	23,135
Total Student Support and Academic Enrichment			<u>31,265</u>
COVID-19 Elementary and Secondary School Emergency Relief	2021	84.425D	11,039
COVID-19 Elementary and Secondary School Emergency Relief	2022	84.425D	798,797
COVID-19 Elementary and Secondary School Emergency Relief	2022	84.425U	47,738
Total COVID-19 Elementary and Secondary School Emergency Relief			<u>857,574</u>
Total – U.S. Department of Education			<u>2,032,846</u>
Total Federal Financial Assistance			<u>\$ 2,523,922</u>

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

**ST. BERNARD-ELMWOOD PLACE CITY SCHOOL DISTRICT
HAMILTON COUNTY, OHIO**

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

Note A – Basis of Presentation

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

Note B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note C – Child Nutrition Cluster

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

Note D – Food Donation

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



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

St. Bernard-Elmwood Place City School District
Hamilton County
105 Washington Avenue
St. Bernard, Ohio 45217

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standard 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 **St. Bernard-Elmwood Place City School District**, Hamilton County, (the School District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements and have issued our report thereon dated December 28, 2022.

Report on the Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

December 28, 2022



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

St. Bernard-Elmwood Place City School District
Hamilton County
105 Washington Avenue
St. Bernard, Ohio 45217

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

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

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

December 28, 2022

**ST. BERNARD-ELMWOOD PLACE CITY SCHOOL DISTRICT
HAMILTON COUNTY, OHIO**

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

1. SUMMARY OF AUDITOR'S RESULTS
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<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	AL# 84.425
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE KEITH FABER



ST. BERNARD-ELMWOOD PLACE CITY SCHOOL DISTRICT

HAMILTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/28/2023

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

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