



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**WILLIAMSBURG LOCAL SCHOOL DISTRICT
CLERMONT COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2022**

OHIO AUDITOR OF STATE
KEITH FABER



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

Board of Education
Williamsburg Local School District
549-A West Main Street
Williamsburg, Ohio 45176

We have reviewed the *Independent Auditor's Report* of the Williamsburg Local School District, Clermont 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 Williamsburg Local 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 01, 2023

This page intentionally left blank.

**WILLIAMSBURG LOCAL SCHOOL DISTRICT
CLERMONT COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	12
Statement of Activities.....	13
Fund Financial Statements:	
Balance Sheet-Governmental Funds.....	14
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	15
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual - General Fund	18
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – ESSER Fund	19
Notes to the Basic Financial Statements	20
Required Supplementary Information:	
Schedule of the School District’s Proportionate Share of the Net Pension Liability	55
Schedule of the School District’s Proportionate Share of the Net OPEB Liability (Asset).....	56
Schedule of School District Contributions	57
Notes to the Required Supplementary Information	58
Schedule of Expenditures of Federal Awards.....	64
Notes to the Schedule of Expenditures of Federal Awards.....	65
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	66

**WILLIAMSBURG LOCAL SCHOOL DISTRICT
CLERMONT COUNTY**

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
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.....	68
Schedule of Audit Findings – Uniform Guidance	71



INDEPENDENT AUDITOR'S REPORT

Williamsburg Local School District
Clermont County
549-A West Main Street
Williamsburg, Ohio 45176

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Williamsburg Local School District**, Clermont 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 the Williamsburg Local School District, Clermont County, Ohio as of June 30, 2022, and the respective changes in financial position thereof and the respective budgetary comparisons for the General and ESSER Funds 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* 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 20, 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 20, 2022

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

As management of the Williamsburg Local School District (the School District), we offer the readers of the School District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the additional information that we have provided in the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

- The assets and deferred outflows of resources of the School District exceeded its liabilities and deferred inflows of resources at June 30, 2022 by \$6,132,672.
- The School District's net position increased \$2,048,658 during this fiscal year's operations.
- General revenues accounted for \$10,920,622 or 79 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions and interest accounted for \$2,980,275 or 21 percent of total revenues of \$13,900,897.
- The School District had \$11,222,979 in expenses related to governmental activities; only \$2,980,275 of these expenses were offset by program specific charges for services and sales, grants, contributions and interest.

Using the Basic Financial Statements

This report consists of a series of financial statements and notes to the basic financial statements. These statements are organized so the reader can understand the School District as a whole, an entire operating entity.

The statement of net position and the statement of activities provide information about the activities of the School District as a whole and present a longer term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term, as well as what remains for future spending. The fund financial statements also look at the School District's major funds, with all other nonmajor funds presented in total in one column. The major funds of the School District are the general fund, ESSER special revenue fund, and permanent improvement capital projects fund.

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2022?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These government-wide financial statements include all assets, liabilities, and deferred inflows/outflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in net position. The change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the School District's property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 8. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds.

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported using 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 School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for the fiscal years ending June 30, 2022 and 2021:

(Table 1)
 Net Position
 Governmental Activities

	2022	2021
Assets		
Current and Other Assets	\$11,364,179	\$12,171,311
Capital Assets, Net	13,366,912	11,917,774
Total Assets	24,731,091	24,089,085
Deferred Outflows of Resources	2,749,493	2,516,829
Liabilities		
Current and Other Liabilities	1,273,652	1,061,719
Long-Term Liabilities	10,355,833	16,064,050
Total Liabilities	11,629,485	17,125,769
Deferred Inflows of Resources	9,718,427	5,396,131

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

(Table 1)
 Net Position
 Governmental Activities
 (continued)

	2022	2021
Net Position		
Net Investment in Capital Assets	\$11,569,865	\$11,643,289
Restricted	1,017,751	1,342,830
Unrestricted (Deficit)	(6,454,944)	(8,902,105)
Total Net Position	\$6,132,672	\$4,084,014

Current and other assets decreased between years, due primarily to a decrease in equity of pooled cash and cash equivalents and intergovernmental receivables. Cash and cash equivalents decreased primarily due to spending last year's financed purchase agreement proceeds during the current fiscal year. Due to the timing of draw requests, the School District's intergovernmental receivables decreased between years. Capital assets, net increased between years, due to additions in excess of depreciation expense and disposals. Deferred outflows increased between years, related to the change in proportionate share of the state-wide net pension liabilities. Current and other liabilities increased between years due primarily to the recognition of retainage payable and due to increased accrued wages and benefits payable. Long-term liabilities decreased between years, due primarily to a decrease in the School District's proportionate share of the state-wide net pension and OPEB liabilities. Deferred inflows increased between years, related to the change in proportionate share of the state-wide net pension and OPEB liabilities (assets).

Table 2 shows the highlights of the School District's revenues and expenses. These two main components are subtracted to yield the change in net position. This table uses the full accrual method of accounting.

Revenue is divided into two major components: Program revenues and general revenues. Program revenues are defined as charges for services and sales and restricted operating grants, capital grants, contributions, and interest. General revenues include taxes and unrestricted grants, such as State foundation support, gifts and donations, investment earnings, and miscellaneous.

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

(Table 2)
Change in Net Position
Governmental Activities

	2022	2021
Revenues		
Program Revenues		
Charges for Services and Sales	\$816,552	\$1,622,352
Operating Grants, Contributions, and Interest	2,163,723	2,302,778
Total Program Revenues	2,980,275	3,925,130
General Revenues		
Property Taxes	4,580,160	2,969,223
Payments in Lieu of Taxes	198,174	80,022
Grants and Entitlements not Restricted to Specific Programs	6,018,544	5,362,377
Investment Earnings	(16,612)	9,426
Miscellaneous	140,356	300,876
Total General Revenues	10,920,622	8,721,924
Total Revenues	13,900,897	12,647,054
Program Expenses		
Instruction		
Regular	\$5,151,448	\$6,429,996
Special	1,583,870	1,956,972
Vocational	32,041	38,366
Support Services		
Pupils	469,127	434,114
Instructional Staff	160,143	203,101
Board of Education	43,464	35,887
Administration	699,339	800,007
Fiscal	406,232	414,547
Operation and Maintenance of Plant	1,168,586	1,185,719
Pupil Transportation	546,905	507,125
Central	143,945	140,206
Operation of Non-Instructional Services	241,253	203,002
Extracurricular Activities	534,323	523,394
Interest and Fiscal Charges	0	7,441
Issuance Costs	42,303	21,872
Total Expenses	11,222,979	12,901,749
Special Item	(629,260)	0
Change in Net Position	2,048,658	(254,695)
Net Position at Beginning of Year	4,084,014	4,338,709
Net Position at Ending of Year	\$6,132,672	\$4,084,014

Charges for services and sales decreased between years due to a change in the State Foundation formula which reduced collections for tuition and fees. Operating grants and contributions decreased between years due to the timing of grant revenues. Property taxes increased between years due to an increase in amounts available for advance at year-end. Unrestricted grants and entitlements increased between years due to an increase in foundation funding due to formula changes. Miscellaneous revenues decreased between years due to large Ohio Bureau of Worker's Compensation rebates and dividends received in the prior year.

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

The School District experienced an decrease in regular and special instruction expenses, as well as administration support service expenses, due to reductions in amounts recognized for pension and OPEB expense.

The School District recognized a special item for the fiscal year due to a significant loss recognized on a roof replacement project.

Governmental Activities

Grants and entitlements not restricted to specific programs made up 43 percent of total revenues for governmental activities of the School District for fiscal year 2022. Property taxes made up 33 percent of total revenues for governmental activities for a total of 76 percent of total revenues coming from property taxes and grants and entitlements not restricted to specific programs. Charges for services and sales and operating grants and contributions also comprised 6 percent and 16 percent, respectively.

Instruction comprises 60 percent of governmental program expenses, with regular instruction and special instruction comprising 46 percent and 14 percent, respectively, of program expenses. Support services expenses make up 32 percent of governmental program expenses.

The statement of activities shows the cost of program services and the charges for services and sales, grants, contributions and interest offsetting those services. In Table 3, the total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Net costs are costs that must be covered by unrestricted state aid (state foundation) or local taxes. The difference in these two columns would represent charges for services and sales, restricted grants, donations and restricted interest.

(Table 3)
 Governmental Activities

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Instruction	\$6,767,359	\$5,178,095	\$8,425,334	\$6,001,830
Support Services	3,637,741	2,886,737	3,720,706	2,625,301
Operation of Non-Instructional Services	241,253	(164,438)	203,002	42,574
Extracurricular Activities	534,323	300,007	523,394	277,601
Interest and Fiscal Charges	42,303	42,303	7,441	7,441
Issuance Costs	0	0	21,872	21,872
Total Expenses	\$11,222,979	\$8,242,704	\$12,901,749	\$8,976,619

The School District's Funds

Information about the School District's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$14,724,119 and expenditures and other financing uses of \$14,960,545. The net change in fund balance for the fiscal year was most significant in the permanent improvement fund, a decrease of \$1,786,083, due to the School District spending proceeds of a financed purchase agreement received in the prior year. The general fund balance increased \$1,686,783, which is primarily due to a much larger property tax amount available for advance as compared to the prior year and intergovernmental revenues for foundation payment increases, which were partially offset by a decrease in tuition and fees. The ESSER fund balance decreased \$6,000 as expenditures and transfers out exceeded revenues for the fiscal year.

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

General Fund - Budget Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. During the course of fiscal year 2022, the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures.

The School District's ending unobligated cash balance was \$4,700 above the final budgeted amount in the general fund.

For the general fund, original budgeted revenues were \$10,923,176 and final budgeted revenues were \$11,240,533. This represents an increase in estimated revenue of \$317,357 due largely to an increase in payments in lieu of taxes and intergovernmental revenue, which was partially offset by a decrease in tuition and fees. The difference between actual budget basis revenues and final budget basis revenues was \$4,698, due to interest revenues being higher than expected.

Original budgeted expenditures and other financing uses in the general fund were \$10,520,765 and final budgeted expenditures and other financing uses were \$10,577,136. This represents an increase in estimated expenditures and other financing uses of \$56,371. The difference between actual budget basis expenditures and other financing uses and final budgeted expenditures and other financing uses was \$2, which is not significantly different.

Capital Assets and Debt Administration

Capital Assets

The School District's investment in capital assets as of June 30, 2022 was \$13,366,912. This investment in capital assets includes land, land improvements, buildings and improvements, furniture, fixtures and equipment, and vehicles. 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	\$830,100	\$830,100
Land Improvements	769,950	837,908
Buildings and Improvements	10,977,852	9,550,859
Furniture, Fixtures and Equipment	422,804	387,676
Vehicles	366,206	311,231
Totals	\$13,366,912	\$11,917,774

Net capital assets increased \$1,449,138 from the prior fiscal year. This was due to capital assets additions in excess of depreciation expense and disposals.

For more information on capital assets, refer to note 8 of the notes to the basic financial statements.

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

Debt

At June 30, 2022, the School District had \$205,000 in bonds outstanding with \$40,000 due within one year, and \$1,675,000 in a financed purchase agreement outstanding with \$170,000 due within one year. Table 5 summarizes the bonds and financed purchase agreement outstanding:

(Table 5)
 Outstanding Debt at June 30
 Governmental Activities

	2022	2021
Energy Conservation Bonds		
2012 Energy Conservation Bonds 1.150%-2.750%	\$205,000	\$245,000
Premium on Debt Issue	6,288	7,613
Financed Purchase Agreement	1,675,000	1,845,000
Totals	<u>\$1,886,288</u>	<u>\$2,097,613</u>

The School District's overall legal debt margin was \$13,517,902 with an unvoted debt margin of \$150,199 and an energy conservation debt limit of \$1,146,790 at June 30, 2022.

In March 2012, the School District issued energy conservation bonds for an energy efficiency project.

In June 2021, the School District entered into a financed purchase agreement for the purpose of improvements to School District facilities, including acquisition and installation of a new roof for the high school building.

For more information on debt, refer to note 12 of the notes to the basic financial statements.

School District Challenges for the Future

The Williamsburg Board of Education is committed to maintaining fiscal stewardship. Williamsburg is a small district that typically receives about 50 percent of its general fund revenue as state support. In 2010, the State of Ohio cut public school funding and cut tangible personal property reimbursements to schools in order to balance their budget during the recession. Williamsburg saw revenue drop by 12% and revenues stayed low until the 14/15 biennial budget increased state revenues somewhat. The School District made cuts to balance the budget during those lean years, including cuts to staffing. Finally, in the 16/17 biennial budget, Williamsburg Schools saw significant funding increases from the state as they introduced capacity aid, a new state formula line item dedicated to small rural districts with low property values. In HB110, the newest funding formula was implemented with the biennial budget for 2021-2022 and 2022-2023. There are no longer deductions for open enrollment, autism scholarships, or community schools from our foundation. The School District receives the same amount for each student whether they are open enrolled students or resident students. We also have more restricted funds such as gifted and wellness funds that flow through our foundation payments.

As a small district, it is always a challenge to attract and retain highly qualified staff. We must be dedicated to keeping our salaries competitive yet remain balanced financially. Health insurance is another concern as rates continue to increase for many reasons. The School District is a member of Clermont County Insurance Consortium (CCIC) and it provides all insurance products for our staff. CCIC has voted to join EPC, another insurance consortium, and will be operating as a consortium within a consortium. It is CCIC's hope that being part of a much larger consortium will stabilize our insurance premium rates and provide security to protect the value of our insurance products.

The School District also struggles to control special education costs. It has been our plan to hire additional staff to

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

provide a more targeted education to our special education students. At the same time, we will be reducing special education contracted costs.

Despite this, Williamsburg continues to stay within budget. The following four years of the forecast we expect to spend into our carryover, in excess of the emergency levy.

Williamsburg Schools is seeing some industrial growth in real estate at the South Afton complex. We expect, at this time, that the property will be exempt due to abatements and TIFs. Any payment in lieu of tax will be welcome.

The Williamsburg Board of Education and administration remain committed to being fiscally responsible and continue to adjust budgets and look for reductions in costs. The School District is facing a challenge with inflation. Diesel fuel, natural gas, and electric bills, as is the case with all utilities, have increased. Supplies are taking longer to receive, and the supplies have an increased cost of delivery. More costs with the same amount of money. The School District shares services with Child Focus for preschool. We have been able to increase the preschool students served by working with Child Focus and have reduced our preschool costs.

School District personnel continue to make strides in the area of educating students. The Department of Education continues to change the district report card rating system and Williamsburg's curriculum adjusts accordingly. Teaching and non-teaching staff remain focused on providing a quality education to students, without many of the resources available to larger school districts.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact JoAnna Carraher, Treasurer, at Williamsburg Local School District, 549-A West Main Street, Williamsburg, Ohio 45176, or email at carraher_j@burgschools.org.

Williamsburg Local School District
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$6,291,690
Accrued Interest Receivable	2,768
Accounts Receivable	61,871
Intergovernmental Receivable	180,586
Property Taxes Receivable	3,948,187
Restricted Cash and Cash Equivalents	87,764
Nondepreciable Capital Assets	830,100
Depreciable Capital Assets, Net	12,536,812
Net OPEB Asset	791,313
<i>Total Assets</i>	24,731,091
Deferred Outflows of Resources	
Pension	2,483,405
OPEB	266,088
<i>Total Deferred Outflows of Resources</i>	2,749,493
Liabilities	
Accounts Payable	29,117
Accrued Wages and Benefits	961,251
Contracts Payable	19,654
Intergovernmental Payable	172,566
Accrued Interest Payable	3,300
Retainage Payable	87,764
Long-Term Liabilities:	
Due Within One Year	272,826
Due in More Than One Year	3,082,750
Net Pension Liability	6,241,722
Net OPEB Liability	758,535
<i>Total Liabilities</i>	11,629,485
Deferred Inflows of Resources	
Property Taxes Not Levied to Finance Current Year Operations	2,819,691
Pension	5,469,506
OPEB	1,429,230
<i>Total Deferred Inflows of Resources</i>	9,718,427
Net Position	
Net Investment in Capital Assets	11,569,865
Restricted For:	
Capital Outlay	452,194
Other Purposes	466,707
Set-Asides	98,850
Unrestricted (Deficit)	(6,454,944)
<i>Total Net Position</i>	\$6,132,672

See the accompanying notes to the basic financial statements.

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

	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest	
Governmental Activities				
Instruction				
Regular	\$5,151,448	\$219,768	\$404,254	(\$4,527,426)
Special	1,583,870	91,278	861,661	(630,931)
Vocational	32,041	4,826	7,477	(19,738)
Support Services				
Pupils	469,127	11,530	492,236	34,639
Instructional Staff	160,143	5,111	22,042	(132,990)
Board of Education	43,464	1,669	0	(41,795)
Administration	699,339	28,294	5,800	(665,245)
Fiscal	406,232	15,427	0	(390,805)
Operation and Maintenance of Plant	1,168,586	40,838	89,971	(1,037,777)
Pupil Transportation	546,905	19,774	12,317	(514,814)
Central	143,945	5,685	310	(137,950)
Operation of Non-Instructional Services	241,253	152,169	253,522	164,438
Extracurricular Activities	534,323	220,183	14,133	(300,007)
Debt Service				
Interest and Fiscal Charges	42,303	0	0	(42,303)
<i>Total Governmental Activities</i>	<u>\$11,222,979</u>	<u>\$816,552</u>	<u>\$2,163,723</u>	(8,242,704)
General Revenues				
Property Taxes Levied for				
General Purposes				4,580,160
Payments in Lieu of Taxes				198,174
Grants and Entitlements not Restricted to Specific Programs				6,018,544
Investment Earnings				(16,612)
Miscellaneous				140,356
<i>Total General Revenues</i>				10,920,622
<i>Special Item</i>				(629,260)
<i>Change in Net Position</i>				2,048,658
<i>Net Position Beginning of Year</i>				4,084,014
<i>Net Position End of Year</i>				<u>\$6,132,672</u>

See the accompanying notes to the basic financial statements.

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

	General Fund	ESSER Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Investments	\$5,057,545	\$0	\$548,735	\$586,560	\$6,192,840
Accrued Interest Receivable	2,768	0	0	0	2,768
Accounts Receivable	60,311	0	0	1,560	61,871
Interfund Receivable	97,744	0	0	0	97,744
Intergovernmental Receivable	9,569	105,650	0	65,367	180,586
Property Taxes Receivable	3,948,187	0	0	0	3,948,187
Restricted Assets:					
Equity in Pooled Cash and Investments	98,850	0	87,764	0	186,614
<i>Total Assets</i>	<u>\$9,274,974</u>	<u>\$105,650</u>	<u>\$636,499</u>	<u>\$653,487</u>	<u>\$10,670,610</u>
Liabilities					
Accounts Payable	\$27,655	\$1,220	\$0	\$242	\$29,117
Accrued Wages and Benefits	876,846	0	0	84,405	961,251
Contracts Payable	0	19,654	0	0	19,654
Interfund Payable	0	89,992	0	7,752	97,744
Intergovernmental Payable	142,225	784	0	29,557	172,566
Retainage Payable	0	0	87,764	0	87,764
<i>Total Liabilities</i>	1,046,726	111,650	87,764	121,956	1,368,096
Deferred Inflows of Resources					
Property Taxes not Levied to Finance Current Year Operations	2,819,691	0	0	0	2,819,691
Unavailable Revenue:					
Property Taxes	43,744	0	0	0	43,744
Grants	0	0	0	50,299	50,299
Total Unavailable Revenue	43,744	0	0	50,299	94,043
<i>Total Deferred Inflows of Resources</i>	2,863,435	0	0	50,299	2,913,734
Fund Balances					
Restricted	98,850	0	548,735	564,414	1,211,999
Committed	234,093	0	0	0	234,093
Assigned	140,551	0	0	0	140,551
Unassigned (Deficit)	4,891,319	(6,000)	0	(83,182)	4,802,137
<i>Total Fund Balances</i>	<u>5,364,813</u>	<u>(6,000)</u>	<u>548,735</u>	<u>481,232</u>	<u>6,388,780</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$9,274,974</u>	<u>\$105,650</u>	<u>\$636,499</u>	<u>\$653,487</u>	<u>\$10,670,610</u>

See the accompanying notes to the basic financial statements.

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

Total Governmental Fund Balances		\$6,388,780
----------------------------------	--	-------------

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.		13,366,912
---	--	------------

Some of the School District's revenues will be collected after fiscal year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

Property taxes	43,744		
Intergovernmental	50,299		94,043

The net pension/OPEB liability (asset) is not due and payable in the current period. Therefore, the liability (asset) and related deferred inflows/outflows are not reported in

Deferred outflows-pension	2,483,405		
Deferred outflows-OPEB	266,088		
Deferred inflows-pension	(5,469,506)		
Deferred inflows-OPEB	(1,429,230)		
Net pension liability	(6,241,722)		
Net OPEB asset	791,313		
Net OPEB liability	(758,535)		(10,358,187)

In the statement of activities, interest is accrued on outstanding bonds and financed purchase agreements, whereas in governmental funds, as interest expenditure is reported when due.		(3,300)
---	--	---------

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds payable	(205,000)		
Financed Purchase Agreement	(1,675,000)		
Premiums on bonds	(6,288)		
Compensated absences	(1,469,288)		(3,355,576)

Net Position of Governmental Activities		\$6,132,672
---	--	-------------

See the accompanying notes to the basic financial statements.

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

	General Fund	ESSER Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$4,594,522	\$0	\$0	\$0	\$4,594,522
Intergovernmental	6,731,294	956,872	0	641,098	8,329,264
Interest	26,395	0	0	0	26,395
Decrease in Fair Market Value	(43,007)	0	0	0	(43,007)
Tuition and Fees	405,679	0	0	0	405,679
Rent	5,080	0	0	270	5,350
Extracurricular Activities	14,627	0	0	198,966	213,593
Gifts and Donations	1,431	0	0	12,702	14,133
Customer Sales and Services	28,600	0	0	163,330	191,930
Payments in Lieu of Taxes	198,174	0	0	0	198,174
Miscellaneous	153,036	0	0	7,267	160,303
<i>Total Revenues</i>	12,115,831	956,872	0	1,023,633	14,096,336
Expenditures					
Current					
Instruction					
Regular	5,009,670	92,792	0	68,155	5,170,617
Special	1,326,926	0	0	404,681	1,731,607
Vocational	32,798	0	0	3,281	36,079
Support Services					
Pupils	275,322	59,188	0	159,420	493,930
Instructional Staff	138,673	0	0	22,311	160,984
Board of Education	45,283	0	0	0	45,283
Administration	767,688	0	0	5,800	773,488
Fiscal	418,587	0	0	0	418,587
Operation and Maintenance of Plant	1,131,508	24,142	0	0	1,155,650
Pupil Transportation	536,528	3,305	0	0	539,833
Central	154,244	0	0	310	154,554
Operation of Non-Instructional Services	3,741	68,028	0	171,417	243,186
Extracurricular Activities	31,398	0	0	452,410	483,808
Capital Outlay	71,197	320,634	2,180,866	99,974	2,672,671
Debt Service					
Principal Retirement	210,000	0	0	0	210,000
Interest and Fiscal Charges	42,485	0	0	0	42,485
<i>Total Expenditures</i>	10,196,048	568,089	2,180,866	1,387,759	14,332,762
<i>Excess of Revenues Over (Under) Expenditures</i>	1,919,783	388,783	(2,180,866)	(364,126)	(236,426)
Other Financing Sources (Uses)					
Transfers In	0	0	394,783	233,000	627,783
Transfers Out	(233,000)	(394,783)	0	0	(627,783)
<i>Total Other Financing Sources (Uses)</i>	(233,000)	(394,783)	394,783	233,000	0
<i>Net Change in Fund Balances</i>	1,686,783	(6,000)	(1,786,083)	(131,126)	(236,426)
<i>Fund Balances Beginning of Year-Restated</i>	3,678,030	0	2,334,818	612,358	6,625,206
<i>Fund Balances End of Year</i>	\$5,364,813	(\$6,000)	\$548,735	\$481,232	\$6,388,780

See the accompanying notes to the basic financial statements.

Williamsburg Local School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2022*

Net Change in Fund Balances - Total Governmental Funds (\$236,426)

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital asset additions	2,672,671	
Depreciation expense	<u>(594,273)</u>	2,078,398

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount by which the loss on the sale of capital assets exceeded the proceeds from the (629,260)

Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the

Delinquent property taxes	(14,362)	
Intergovernmental	(161,130)	
Other	<u>(19,947)</u>	(195,439)

Contractually required contributions are reported as expenditures in governmental funds. However, the statement of net position reports these amounts as deferred outflows.

Pension	828,569	
OPEB	<u>28,663</u>	857,232

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability (asset) are reported as pension/OPEB expense in the statement of activities.

Pension	122,409	
OPEB	<u>76,373</u>	198,782

Governmental funds report premiums as expenditures, whereas these amounts are deferred and amortized in the statement of net position.

Amortization of bond premium		1,325
------------------------------	--	-------

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current fiscal year, these amounts consist of:

Principal retirement		210,000
----------------------	--	---------

In the statement of activities, interest accrued on outstanding bonds and the loss on refunding are amortized over the terms of the bonds, whereas in the governmental funds, the expenditure is reported when the bonds are issued:

Increase in accrued interest		(1,143)
------------------------------	--	---------

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences		<u>(234,811)</u>
----------------------------------	--	------------------

Change in Net Position of Governmental Activities		<u><u>\$2,048,658</u></u>
---	--	---------------------------

See the accompanying notes to the basic financial statements.

Williamsburg Local School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2022*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$3,881,112	\$3,855,044	\$3,855,044	\$0
Intergovernmental	5,575,498	6,712,617	6,712,617	0
Interest	22,000	19,342	24,040	4,698
Tuition and Fees	1,213,616	326,017	326,017	0
Rent	450	5,080	5,080	0
Customer Sales and Services	0	21,400	21,400	0
Payments in Lieu of Taxes	100,000	198,174	198,174	0
Miscellaneous	130,500	102,859	102,859	0
<i>Total Revenues</i>	10,923,176	11,240,533	11,245,231	4,698
Expenditures				
Current				
Instruction				
Regular	5,352,403	4,977,581	4,977,581	0
Special	1,611,941	1,296,797	1,296,797	0
Vocational	30,750	33,500	33,500	0
Support Services				
Pupils	242,237	263,670	263,670	0
Instructional Staff	83,812	145,296	145,296	0
Board of Education	38,080	43,887	43,887	0
Administration	757,584	773,488	773,487	1
Fiscal	404,250	422,394	422,393	1
Operation and Maintenance of Plant	936,795	1,174,447	1,174,447	0
Pupil Transportation	521,130	531,223	531,223	0
Central	143,520	146,985	146,985	0
Operation of Non-Instructional Services	22,669	5,000	5,000	0
Extracurricular Activities	75	921	921	0
Capital Outlay	83,519	201,462	201,462	0
Debt Service				
Principal Retirement	0	210,000	210,000	0
Interest and Fiscal Charges	0	42,485	42,485	0
<i>Total Expenditures</i>	10,228,765	10,269,136	10,269,134	2
<i>Excess of Revenues Over Expenditures</i>	694,411	971,397	976,097	4,700
Other Financing Uses				
Transfers Out	(292,000)	(308,000)	(308,000)	0
<i>Total Other Financing Uses</i>	(292,000)	(308,000)	(308,000)	0
<i>Net Change in Fund Balance</i>	402,411	663,397	668,097	4,700
<i>Fund Balances Beginning of Year</i>	4,062,362	4,062,362	4,062,362	0
<i>Prior Year Encumbrances Appropriated</i>	63,008	63,008	63,008	0
<i>Fund Balances End of Year</i>	\$4,527,781	\$4,788,767	\$4,793,467	\$4,700

See the accompanying notes to the basic financial statements.

Williamsburg Local School District
*Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
ESSER Fund
For the Fiscal Year Ended June 30, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$700,000	\$927,091	\$927,091	\$0
<i>Total Revenues</i>	700,000	927,091	927,091	0
Expenditures				
Current				
Instruction				
Regular	0	95,073	95,073	0
Support Services				
Pupils	0	59,188	59,188	0
Operation and Maintenance of Plant	0	34,392	34,392	0
Pupil Transportation	0	95,333	95,333	0
Operation of Non-Instructional Services	0	556,446	556,446	0
Capital Outlay	235,050	266,384	266,384	0
<i>Total Expenditures</i>	235,050	1,106,816	1,106,816	0
<i>Net Change in Fund Balance</i>	464,950	(179,725)	(179,725)	0
<i>Fund Balances Beginning of Year</i>	(310,919)	(310,919)	(310,919)	0
<i>Prior Year Encumbrances Appropriated</i>	235,050	235,050	235,050	0
<i>Fund Balances End of Year</i>	\$389,081	(\$255,594)	(\$255,594)	\$0

See the accompanying notes to the basic financial statements.

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

Note 1 – Description of the District and Reporting Entity

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

The School District was established in 1922. The School District serves an area of approximately 41 square miles. It is located in Clermont County and includes all of the Village of Williamsburg and portions of Williamsburg and Jackson Townships. The Board of Education controls the School District's two instructional support facilities staffed by 49 non-certified, 57 teaching personnel and 6 administrative employees providing education to 952 students.

Reporting Entity

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

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

The School District participates in two jointly governed organizations and two insurance purchasing pools. These organizations are discussed in notes 14 and 15 of the basic financial statements. These organizations are:

Jointly Governed Organizations:

Hamilton/Clermont Cooperative Association
U.S. Grant Joint Vocational School

Insurance Purchasing Pools:

Clermont County Insurance Consortium
Ohio SchoolComp Workers' Compensation Group Rating Plan

Note 2 – Summary of Significant Accounting Policies

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

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

Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

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

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

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is reporting on major funds rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type, however, the School District has no fiduciary funds.

Fund Accounting

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

Governmental Funds

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

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

The following are the School District's major governmental funds:

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

Elementary and Secondary School Emergency Relief (ESSER) Fund – The ESSER fund is a special revenue fund used to account for emergency relief grants to school districts related to the COVID-19 pandemic. Restrictions include, but are not limited to, providing for coordination of preparedness and response efforts, training and professional development of staff, planning and coordination during long-term closure, and purchasing technology for students.

Permanent Improvement Fund - The permanent improvement fund is a fund provided to account for all transactions related to the acquiring, constructing, or improving of permanent improvements.

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District has no fiduciary funds.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred inflows of resources, liabilities, and deferred outflows of resources associated with the operation of the School District are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements

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

Basis of Accounting

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

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

Differences in the accrual and the modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, in the presentation of expenses versus expenditures, and the recording of net pension/OPEB liabilities (assets).

Revenue – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined, and “available” means that the resources are collectible within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see note 5.) Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position and balance sheet report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and other post-employment benefits. These items are further explained in notes 9 and 10.

In addition to liabilities, the statement of net position and balance sheet 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 until that time. For the School District, deferred inflows of resources included property taxes, pension, other post-employment benefits, and unavailable revenue. Property taxes for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows of resources on the statement of net position and governmental fund balance sheet. Unavailable revenue is reported only on the governmental fund balance sheet and represents grants and entitlements and other resources not received within the available period and delinquent property taxes due at June 30, 2022. Deferred inflows of resources related to pension/OPEB are reported on the government-wide statement of net position and are further explained in notes 9 and 10.

Expenses/Expenditures

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund

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

liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Cash and Investments

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as “equity in pooled cash and investments” on the financial statements.

During fiscal year 2022, the School District invested in the State Treasury Asset Reserve of Ohio (STAR Ohio), money market funds, negotiable certificates of deposit, U.S. Treasury obligations, and U.S. government agency securities. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. The School District’s money market funds are recorded at amounts reported by the respective financial institutions at June 30, 2022.

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

For fiscal year 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. Twenty-four hours advanced noticed is appreciated for deposits and redemptions of \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$250 million per day. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2022 amounted to \$26,395. The School District also recognized a decrease in the fair value of investments of \$43,007 in the general fund.

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

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors or laws of other governments, or imposed by law through constitutional provisions. The School District reported restricted assets as of June 30, 2022 due to amounts held for retainage due to contractors and set-asides.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed. The School District had no significant prepaid items to report as of June 30, 2022.

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

Capital Assets

All capital assets of the School District are general capital assets that are associated with governmental activities. General capital assets usually result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of \$2,500. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	5-20 years
Buildings and Improvements	25-80 years
Furniture, Fixtures and Equipment	5-20 years
Vehicles	8 years

Accrued Liabilities and Long-Term Obligations

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

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

Compensated Absences

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

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

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the amount "matured compensated absences payable" in the termination benefits fund, which is presented as part of the general fund for GAAP reporting purposes. The noncurrent portion of the liability is not reported. The School District reported no matured compensated absences payable at June 30, 2022.

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

Bond Premiums/Issuance Costs

In the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method.

On the governmental fund financial statements, bond premiums and issuance costs are recognized in the period when the debt is issued.

Net Position

Net position represents the difference between assets plus deferred outflows or resources and liabilities plus 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 its use either through enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for food service, music and athletic programs, and federal and state grants restricted to expenditures for specified purposes. The School District has no net position that is restricted by enabling legislation.

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

Fund Balances

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

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts would represent intended uses established by the School District’s Board of Education.

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

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

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

Internal 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.

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

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

Short term interfund loans are classified as “interfund receivables” and “interfund payables”. These amounts are eliminated in the governmental activities column of the statement of net position.

Estimates

The preparation of the 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.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. In fiscal year 2022, the School District experienced a loss on the disposal of an asset related to a roof replacement project in the amount of \$629,260. This amount was recorded as a special item on the government-wide financial statements. The School District did not have any extraordinary items to report for the fiscal year.

Budgetary Process

The budgetary process is prescribed by the provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation 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 amounts 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 a level of control selected by the Board. The legal level of budgetary control has been established by the Board of Education at the fund/special cost center level for the

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

general fund and at the fund level for all other funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund/special cost center.

The Clermont County Budget Commission has waived the requirement that school districts adopt and submit a tax budget. In lieu of the tax budget, school districts are required to submit bond fund balances.

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

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

Pensions/OPEB

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

Note 3 – Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget (non-GAAP basis) and actual for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a restriction, commitment, or assignment of fund balance (GAAP basis).
4. Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the neediest kids, uniform school supplies, pre-school, centre, public school support, and termination benefits funds. These funds were excluded from the budgetary presentation for the general fund.

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

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

Net Change in Fund Balance		
	General	ESSER
GAAP Basis	\$1,686,783	(\$6,000)
Revenue Accruals	(759,137)	(29,781)
Expenditure Accruals	97,233	21,658
Encumbrances	(283,168)	(165,602)
(Excess) Deficit of Funds Combined with General Fund for Reporting Purposes	(73,614)	0
Budget Basis	\$668,097	(\$179,725)

Note 4 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

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

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.

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 School District and must be purchased with the expectation that it will be held to maturity.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School 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, the School District’s bank balance of \$528,207 was either covered by FDIC or collateralized by the financial institution’s public entity deposit pool in the manner described below.

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

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

Investments

As of June 30, 2022, the School District had the following investments, which are in an internal investment pool:

	Fair Value	Credit Rating	Maturity	Percent of Total Investments
STAR Ohio	\$4,398,889	AAAm	Less than one year	72.99%
First American Government Obligation Money Market Fund	6,767	AAAm	Less than one year	0.11%
Dreyfus Treasury Obligation CM Money Market Fund	35,194	AAAm	Less than one year	0.58%
Federal National Mortgage Assn.	46,177	AA+	Three to five years	0.77%
Federal Farm Credit Discount Note	54,070	AA+	Less than one year	0.90%
Federal Farm Credit Bank	68,436	AA+	One to two years	1.14%
Federal Farm Credit Bank	167,862	AA+	One to two years	2.79%
Federal Home Loan Mortgage Corp	96,402	AA+	One to two years	1.60%
Federal Home Loan Mortgage Corp.	64,019	AA+	Three to five years	1.06%
Federal Home Loan Bank	104,831	AA+	Less than one year	1.74%
Federal Home Loan Bank	96,346	AA+	One to two years	1.60%
U.S. Treasury Notes	48,232	AA+	One to two years	0.80%
Negotiable Certificates of Deposit	643,935	N/A	Less than one year	3.24%
Negotiable Certificates of Deposit	195,186	N/A	One to two years	10.68%
Total Investments	\$6,026,346			100.00%

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

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the School District's recurring fair value measurement as of June 30, 2022. As previously discussed, STAR Ohio is reported at its net asset value. All other investments of the School District are valued using quoted market prices (Level 1 inputs).

Interest Rate Risk – The School District has no investment policy that addresses interest rate risk beyond the requirements of state statute. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk – The School District has no investment policy that addresses credit risk.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the School District's securities are either insured and registered in the name of the School District or at least registered in the name of the School District. The School District has no investment policy dealing with investment custodial credit risk beyond the requirements in state statute that prohibit payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk – The School District places no limit on the amount it may invest in any one issuer. However, the School District does diversify for protection of assets in a responsible manner.

Note 5 – Property Taxes

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

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

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

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

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2022, and for which there is an enforceable legal claim. Although total property tax collections for the

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

next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reflected as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

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 fiscal year 2022 taxes were collected are:

	2021 Second-Half Collections		2022 First-Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$139,485,900	94.62%	\$141,605,180	94.28%
Public Utility Personal	7,932,940	5.38%	8,593,730	5.72%
Total Assessed Value	\$147,418,840	100.00%	\$150,198,910	100.00%
Tax rate per \$1,000 of assessed value	\$44.27		\$44.16	

Note 6 - Receivables

Receivables at June 30, 2022, consisted of accrued interest, accounts, intergovernmental, interfund, and property taxes. All receivable amounts, except delinquent property taxes, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. The intergovernmental receivables are as follows:

<i>Major Funds:</i>	
General	\$9,569
ESSER	105,650
 <i>Nonmajor Funds:</i>	
Title VI-B	27,325
Title I	38,042
Total Nonmajor Funds	65,367
Total All Funds	\$180,586

Note 7 – Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2022, the School District contracted with commercial carriers for property and fleet insurance, liability insurance and inland marine coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant changes in coverage from the prior year.

Workers' Compensation

For fiscal year 2022, the School District participated in the Ohio SchoolComp Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (see note 15). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers'

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

compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sedgwick, Inc. provides administrative, cost control, and actuarial services to the GRP.

Employee Benefits

For fiscal year 2022, the School District participated in the Clermont County Insurance Consortium (the Consortium), a group insurance purchasing pool (see note 15), in order to provide dental, life, medical, and disability benefits to employees, their dependents and designated beneficiaries and to set aside funds for such purposes. The Directors provides insurance policies in whole or in part through one or more group insurance policies.

Note 8 – Capital Assets

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

	Balance at 6/30/21	Additions	Disposals	Balance at 6/30/22
<i>Governmental Activities</i>				
Capital Assets Not Being Depreciated:				
Land	\$830,100	\$0	\$0	\$830,100
Total Capital Assets Not Being Depreciated	830,100	0	0	830,100
Capital Assets Being Depreciated:				
Land Improvements	2,727,232	31,022	0	2,758,254
Buildings and Improvements	16,482,957	2,440,223	(1,258,521)	17,664,659
Furniture, Fixtures, and Equipment	2,069,436	101,452	0	2,170,888
Vehicles	1,054,447	99,974	0	1,154,421
Total Capital Assets Being Depreciated	22,334,072	2,672,671	(1,258,521)	23,748,222
Less Accumulated Depreciation				
Land Improvements	(1,889,324)	(98,980)	0	(1,988,304)
Buildings and Improvements	(6,932,098)	(383,970)	629,261	(6,686,807)
Furniture, Fixtures, and Equipment	(1,681,760)	(66,324)	0	(1,748,084)
Vehicles	(743,216)	(44,999)	0	(788,215)
Total Accumulated Depreciation	(11,246,398)	(594,273)	629,261	(11,211,410)
Total Capital Assets Being Depreciated, Net	11,087,674	2,078,398	(629,260)	12,536,812
Governmental Activities Capital Assets, Net	\$11,917,774	\$2,078,398	(\$629,260)	\$13,366,912

Depreciation was charged to the following governmental functions:

Instruction:	
Regular	\$374,055
Special	8,204
Pupils	2,478
Support Services:	
Instructional Staff	508
Operation and Maintenance of Plant	72,646
Pupil Transportation	44,999
Operation of Non-Instructional Services	8,842
Extracurricular Activities	82,541
Total Depreciation Expense	\$594,273

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

Note 9 – Defined Benefit Pension Plans

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

Net Pension/OPEB Liability (Asset)

The net pension/OPEB liability (asset) reported on the statement of net position represents a liability to (asset for) employees for pensions/OPEB. Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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

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

The remainder of this note includes the required pension disclosures. See note 10 for the required OPEB disclosures.

School Employees Retirement System (SERS)

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

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

The School District's contractually required contributions to SERS were \$210,240 for fiscal year 2022. Of this amount, \$0 was reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change.

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

Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

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

The School District's contractually required contributions to STRS were \$618,329 for fiscal year 2022. Of this amount, \$118,816 is reported as an intergovernmental payable.

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

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability			
Current Measurement Date	0.03910960%	0.037531119%	
Proportion of the Net Pension Liability			
Prior Measurement Date	<u>0.04022400%</u>	<u>0.037884700%</u>	
Change in Proportionate Share	<u>-0.00111440%</u>	<u>-0.000353581%</u>	
Proportionate Share of the Net			
Pension Liability	\$1,443,031	\$4,798,691	\$6,241,722
Pension Expense	\$103,460	\$18,949	\$122,409

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$141	\$148,257	\$148,398
Changes of assumptions	30,386	1,331,243	1,361,629
Changes in proportion and differences between School District contributions and proportionate share of contributions	0	144,809	144,809
School District contributions subsequent to the measurement date	<u>210,240</u>	<u>618,329</u>	<u>828,569</u>
Total Deferred Outflows of Resources	<u>\$240,767</u>	<u>\$2,242,638</u>	<u>\$2,483,405</u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$37,424	\$30,079	\$67,503
Net difference between projected and actual earnings on pension plan investments	743,204	4,135,552	4,878,756
Changes in proportion and differences between School District contributions and proportionate share of contributions	<u>66,933</u>	<u>456,314</u>	<u>523,247</u>
Total Deferred Inflows of Resources	<u>\$847,561</u>	<u>\$4,621,945</u>	<u>\$5,469,506</u>

\$828,569 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2023	(\$230,784)	(\$720,145)	(\$950,929)
2024	(181,427)	(667,988)	(849,415)
2025	(176,705)	(757,060)	(933,765)
2026	<u>(228,118)</u>	<u>(852,443)</u>	<u>(1,080,561)</u>
Total	<u>(\$817,034)</u>	<u>(\$2,997,636)</u>	<u>(\$3,814,670)</u>

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

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

Mortality rates for 2020 were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

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

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	<u>100.00 %</u>	

Discount Rate The total pension liability for 2021 was calculated using the discount rate of 7.00 percent. The discount rate for 2020 was 7.5 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$2,400,849	\$1,443,031	\$635,261

Williamsburg Local School District
Notes to the Basic Financial Statements
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:

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

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

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

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

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	<u>100.00 %</u>	

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

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

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

June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2021.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$8,986,152	\$4,798,691	\$1,260,295

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 10 – Other Postemployment Benefits

See note 9 for a description of the net OPEB liability (asset).

School Employees Retirement System (SERS)

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2022, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the School District's surcharge obligation was \$28,663.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS for health care was \$28,663 for fiscal year 2022. Of this amount, \$28,663 was reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset)			
Current Measurement Date	0.04007940%	0.037531119%	
Proportion of the Net OPEB Liability (Asset)			
Prior Measurement Date	0.04162790%	0.037884700%	
Change in Proportionate Share	-0.00154850%	-0.000353581%	
Proportionate Share of the Net			
OPEB Liability	\$758,535	\$0	\$758,535
Proportionate Share of the Net			
OPEB Asset	\$0	(\$791,313)	(\$791,313)
OPEB Expense	\$30,367	\$46,006	\$76,373

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

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

	SERS	STRS	Total
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$8,085	\$28,177	\$36,262
Changes of assumptions	118,996	50,546	169,542
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	0	31,621	31,621
School District contributions subsequent to the measurement date	28,663	0	28,663
Total Deferred Outflows of Resources	<u>\$155,744</u>	<u>\$110,344</u>	<u>\$266,088</u>
 <i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$377,785	\$144,979	\$522,764
Changes of assumptions	16,479	219,339	235,818
Net difference between projected and actual earnings on OPEB plan investments	103,876	472,075	575,951
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	92,084	2,613	94,697
Total Deferred Inflows of Resources	<u>\$590,224</u>	<u>\$839,006</u>	<u>\$1,429,230</u>

\$28,663 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or increase in the net OPEB asset in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	(\$108,024)	(\$206,876)	(\$314,900)
2024	(108,137)	(201,387)	(309,524)
2025	(122,661)	(198,000)	(320,661)
2026	(76,287)	(91,426)	(167,713)
2027	(37,198)	(31,671)	(68,869)
Thereafter	(10,836)	698	(10,138)
Total	<u>(\$463,143)</u>	<u>(\$728,662)</u>	<u>(\$1,191,805)</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.

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

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

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

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

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

For 2021, mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

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

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

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

are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

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

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

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
School District's proportionate share of the net OPEB liability	\$939,917	\$758,535	\$613,635

	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$584,010	\$758,535	\$991,648

Actuarial Assumptions – STRS

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

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

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

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

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

The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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

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	1.00	2.25
Total	100.00 %	

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

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

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School District's proportionate share of the net OPEB asset	(\$667,746)	(\$791,313)	(\$894,535)

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB asset	(\$890,352)	(\$791,313)	(\$668,842)

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

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

Note 11 – Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Eligible classified employees earn 10 to 20 days of vacation per fiscal year, depending upon length of service. Teachers do not earn vacation time. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment.

Teachers, administrators, and non-certified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 230 days for all employees. For non-certified employees, upon retirement, payment is made for 25 percent of accrued, but unused sick leave credit to a maximum of 62.5 days. If certified employees do not elect retirement in their first year of eligibility, payment is made for 25 percent (one payment) or 35 percent (two payments) of accrued, but unused sick leave credit to a maximum of 75 and 105 days, respectively.

Note 12 – Long-Term Obligations

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

	Amount Outstanding 6/30/21	Additions	Deductions	Amount Outstanding 6/30/22	Amounts Due Within One Year
<i>Governmental Activities</i>					
2012 Energy Conservation Bonds – 1.150%-2.750%	\$245,000	\$0	(\$40,000)	\$205,000	\$40,000
Premium on Debt Issue	7,613	0	(1,325)	6,288	0
Total Long-Term Bonds	252,613	0	(41,325)	211,288	40,000
2021 Financed Purchase Agreement	1,845,000	0	(170,000)	1,675,000	170,000
Compensated Absences	1,234,477	596,431	(361,620)	1,469,288	62,826
Net Pension Liability	11,827,249	0	(5,585,527)	6,241,722	0
Net OPEB Liability	904,711	0	(146,176)	758,535	0
Total Governmental Activities Long- Term Obligations	\$16,064,050	\$596,431	(\$6,304,648)	\$10,355,833	\$272,826

Energy Conservation Bonds - In March 2012, the School District received \$544,869 in loan proceeds, which included \$19,869 in premiums, for an energy efficiency project. The bonds carry coupon rates between 1.15 percent and 2.75 percent for a 15-year period with the final payment due in fiscal year 2027. The bonds will be repaid from the general fund.

Compensated absences will be paid from the termination benefits fund, which has been presented as part of the general fund for GAAP reporting purposes. The School District pays obligations related to employee compensation from the fund benefitting from their service.

Financed Purchase - In June 2021, the School District entered into a financed purchase agreement for the purpose of improvements to School District facilities, including acquisition and installation of a new roof for the high school building. This agreement was entered into for an amount up to \$1,845,000 and carries a 2.15% interest rate and a final maturity date of December 1, 2030. This lease-purchase agreement is a general obligation of the School District. This agreement met the criteria of a financed purchase which is defined as a financed purchase which transfers ownership to the lessee. Financed purchase payments are reflected as debt expenditures in the fund financial statements. Principal payments made during the fiscal year totaled \$170,000 and were made from the permanent improvement fund.

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

The School District's overall legal debt margin was \$13,517,902 with an unvoted debt margin of \$150,199 and an energy conservation debt limit of \$1,146,790 at June 30, 2022.

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

Fiscal Year Ending June 30	Energy Conservation Bonds		Financed Purchase Agreement	
	Principal	Interest	Principal	Interest
2023	\$40,000	\$5,638	\$170,000	\$34,185
2024	40,000	4,537	175,000	30,477
2025	40,000	3,437	180,000	26,660
2026	40,000	2,337	180,000	22,790
2027	45,000	1,237	185,000	18,866
2028-2031	0	0	785,000	34,131
Total	\$205,000	\$17,186	\$1,675,000	\$167,109

Note 13 – Set-Aside Calculations

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

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

	Capital Acquisitions
Set-Aside Balance as of June 30, 2021	\$0
Current Fiscal Year Set-Aside Requirement	178,352
Qualifying Disbursements	(79,502)
Totals	<u>\$98,850</u>
Set-Aside Balance Carried Forward to Future Fiscal Years	<u>\$98,850</u>
Set-Aside Balance as of June 30, 2022	<u>\$98,850</u>

Note 14 – Jointly Governed Organizations

Hamilton/Clermont Cooperative Association

The School District is a participant in a two-county consortium of school districts to operate the Hamilton/Clermont Cooperative Association (H/CCA). H/CCA is an association of public districts in a geographic area determined by the Ohio Department of Education. 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. The Board of H/CCA consists of one representative from each of the participating members. The School District paid \$131,314 for services provided during the fiscal year. Complete financial statements for H/CCA can be obtained from Vince Colaluca, Executive Director, at their administrative offices at 1007 Cottonwood Drive, Loveland, Ohio 45140.

U.S. Grant Joint Vocational School

The U.S. Grant Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the four participating school districts' elected

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

boards with an additional representative rotated among the four schools. The Vocational School possesses its own budgeting and taxing authority. To obtain financial information write to the U.S. Grant Joint Vocational School, Patricia Patton, who serves as Treasurer, at 718 West Plane Street, Bethel, Ohio 45106.

Note 15 – Insurance Purchasing Pools

Clermont County Insurance Consortium

The Williamsburg Local School District is a member of the Clermont County Insurance Consortium, an insurance purchasing pool. A number of Clermont County school districts and the Clermont County Educational Service Center have entered into an agreement to form the Clermont County Insurance Consortium. The overall objectives of the Consortium are to formulate and administer a program of health, dental, life, and/or other insurance benefits for the Consortium members' employees and their dependents. The Consortium's business and affairs are managed by a Board of Directors, consisting of the superintendents (or their designees) from each of the participating school districts and the educational service center.

The School District pays premiums based on what the Consortium estimates will cover the costs of all claims for which the Consortium is obligated. If the School District's claims exceeded its premiums, there is no individual supplemental assessment; on the other hand, if the School District's claims are low, it will not receive a refund. The Consortium views its activities in the aggregate, rather than on an individual entity basis. To obtain financial information, write to the current fiscal agent, Clermont County Educational Service Center at 2400 Clermont Center Drive, Suite 100, Batavia, Ohio 45103.

On January 1, 2017, Clermont County Insurance Consortium joined the Southwestern Ohio Educational Purchasing Council (EPC) for health, dental, vision, and life insurances. The Clermont County Insurance Consortium is no longer self-funded as of January 1, 2017. The Southwestern Ohio Educational Purchasing Council (EPC) is a council of governments with over 40 years of service experience, pooling the purchase power of 180 Ohio School Districts. All insurances operate as if they are a fully insured plan where districts pay an annual premium (as determined by EPC) for their coverages. As of January 1, 2017 districts pay monthly premiums directly to EPC.

Ohio SchoolComp Workers' Compensation Group Rating Plan

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio SchoolComp Workers' Compensation Group Rating Plan (GRP) was established as a group insurance purchasing pool. The GRP's business and affairs are conducted by a five member Board of Directors. Each fiscal year, the participants pay an enrollment fee to the GRP to cover the costs of administering the program.

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

Note 16 – Interfund Activity

Interfund Transfers

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

	Transfers To	Transfers From
<i>Major Funds:</i>		
General Fund	\$0	\$233,000
ESSER	0	394,783
Permanent Improvement	394,783	0
 <i>Nonmajor Funds:</i>		
Student Activities	20,000	0
Athletics	213,000	0
Total Nonmajor Funds	233,000	0
Total All Funds	\$627,783	\$627,783

Transfers were made from the general fund to move unrestricted balances to support programs and projects accounted for in other funds. Transfers were made from the ESSER fund to the permanent improvement fund to subsidize the costs of repairs.

Interfund Receivables/Payables

At June 30, 2022, the School District had the following outstanding interfund balances:

	Receivables	Payables
<i>Major Funds:</i>		
General Fund	\$97,744	\$0
ESSER		89,992
 <i>Nonmajor Funds:</i>		
Food Service Fund	0	5,960
Title VI-B	0	1,792
Total Nonmajor Funds	0	7,752
Total All Funds	\$97,744	\$97,744

The general fund advanced funds to the ESSER fund and other nonmajor special revenue funds in anticipation of grant revenues. These funds are expected to be repaid in the subsequent fiscal year.

Note 17 - Contingencies

Litigation

The School District is not currently party to legal proceedings.

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of

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

management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2022.

State Foundation Funding

School district foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. The final ODE adjustments for fiscal year 2022 have been finalized. Final adjustments are included in the November 20, 2022 foundation settlement.

Note 18 – Accountability and Compliance

Accountability

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

<i>Major Funds</i>	
ESSER	\$6,000
 <i>Nonmajor Funds:</i>	
Lunchroom	34,026
Title VI-B	19,913
Title I	29,243

These deficits resulted from payables recorded in accordance with generally accepted accounting principles. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Compliance

Contrary to Ohio Revised Code 5705.39, the School District had appropriations in excess of estimated resources for the ESSER fund in the amount of \$255,594.

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

Note 19 – Fund Balances

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

	General Fund	ESSER Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
<i>Restricted for</i>					
Other Purposes	\$0	0	\$0	\$33,944	\$33,944
Set-Asides	98,850	0	0	0	98,850
Capital Improvements	0	0	548,735	0	548,735
Athletics	0	0	0	193,677	193,677
Student Wellness and Success	0	0	0	336,793	336,793
Total Restricted	98,850	0	548,735	564,414	1,211,999
<i>Committed for</i>					
Capital Improvements	131,850	0	0	0	131,850
Severance Benefits	102,243	0	0	0	45,766
Total Committed	234,093		0	0	234,093
<i>Assigned to</i>					
Student and Staff Support	16,528	0	0	0	16,528
Other Purposes	124,023	0	0	0	124,023
Total Assigned	140,551		0	0	140,551
<i>Unassigned (Deficit)</i>	4,891,319	(6,000)	0	(83,182)	4,802,137
Total Fund Balances	\$5,364,813	(\$6,000)	\$548,735	\$481,232	\$6,388,780

Note 20 - Encumbrances

At June 30, 2022, the School District had significant encumbrance commitments in governmental funds as follows:

<i>Major Funds:</i>	
General	\$282,852
ESSER	165,602
Permanent Improvement	148,210
<i>Nonmajor Funds:</i>	
Athletics	8,772
Student Wellness and Success	6,765

Note 21 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency continues. During fiscal year 2022, the 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

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

District’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

During fiscal year 2022, the School District reported ESSER funding in the amounts of \$956,872. Of the amounts received, none was sub-granted to other governments and organizations, returned to the granting agency, or spent on-behalf of other governments. The School District did not receive significant donated personal protective equipment as an on-behalf of grant from another government.

Note 22 – New Accounting Pronouncements and Restatement of Balances

New Accounting Pronouncements

For fiscal year 2022, the School District implemented GASB Statement No. 87, “Leases”. GASB Statement 87 requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. These changes were incorporated in the School District’s fiscal year 2022 financial statements; however, there was no effect on beginning net position/fund balance.

Restatement of Fund Balances

The School District restated beginning balances to account for previously reported unpaid advance that was converted to be a transfer in the prior year.

This restatement had the following effect on fund balance as of June 30, 2021:

	General Fund	Permanent Improvement
Fund Balance, As Reported, June 30, 2021	\$3,685,330	\$2,327,518
<i>Adjustments:</i>		
Interfund Balance Converted to a Transfer	(7,300)	7,300
Fund Balance, As Restated, July 1, 2021	\$3,678,030	\$2,334,818

Note 23 – Subsequent Event

The School District entered into a lease agreement beginning in September 2022 and running through August of 2027. The lease is for copiers in the amount of \$82,150.

Note 24 – Tax Abatements Entered Into By Other Governments

Williamsburg Township, Clermont County, (the Township) has entered into an Enterprise Zone Agreement (EZA) with property owners located within the taxing district of the School District. EZAs provide for property tax abatements to encourage job growth and economic development in the Township. The EZA provides for direct incentive property tax exemptions benefiting property owners who renovate or construct new buildings. As a result of the EZA, the School District’s property taxes were reduced by \$163,623 during fiscal year 2022. The School District received \$198,174 in compensation payments associated with the forgone property tax revenue.

Williamsburg Local School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Last Nine Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<i>State Teachers Retirement System</i>									
School District's proportion of the net pension liability	0.035199859%	0.035199859%	0.036060140%	0.036367690%	0.037294290%	0.038820370%	0.039974390%	0.037884700%	0.037531119%
School District's proportionate share of the net pension liability	\$10,198,789	\$8,561,824	\$9,965,968	\$12,173,362	\$8,859,339	\$8,535,728	\$8,840,096	\$9,166,749	\$4,798,691
School District's covered-employee payroll	\$3,623,400	\$3,633,715	\$3,700,686	\$3,946,743	\$4,164,057	\$4,462,143	\$4,713,207	\$4,031,471	\$4,218,421
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	281.5%	235.6%	269.3%	308.4%	212.8%	191.3%	187.6%	227.4%	113.8%
Plan fiduciary net position as a percentage of the total pension liability	69.3%	74.7%	72.1%	66.8%	75.3%	77.3%	77.4%	75.5%	87.8%
<i>School Employees Retirement System</i>									
School District's proportion of the net pension liability	0.040956991%	0.040956991%	0.043324700%	0.043540300%	0.042776200%	0.041786000%	0.041109800%	0.040224000%	0.039109600%
School District's proportionate share of the net pension liability	\$2,435,581	\$2,072,810	\$2,472,149	\$3,186,748	\$2,555,783	\$2,393,162	\$2,459,671	\$2,660,500	\$1,443,031
School District's covered-employee payroll	\$1,084,566	\$1,170,007	\$1,280,918	\$1,316,400	\$1,377,943	\$1,293,170	\$1,318,185	\$1,305,021	\$1,243,450
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	224.6%	177.2%	193.0%	242.1%	185.5%	185.1%	186.6%	203.9%	116.1%
Plan fiduciary net position as a percentage of the total pension liability	65.5%	71.7%	69.2%	63.0%	69.5%	71.4%	70.9%	68.6%	82.9%

The amounts presented are as of the School District's measurement date, which is the prior fiscal year end.

Information not available prior to 2014.

See accompanying notes to the required supplementary information.

Williamsburg Local School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)
Last Six Fiscal Years

	2017	2018	2019	2020	2021	2022
<i>State Teachers Retirement System</i>						
School District's proportion of the net OPEB liability (asset)	0.036367690%	0.037294300%	0.038820400%	0.039974390%	0.037884700%	0.037531119%
School District's proportionate share of the net OPEB liability (asset)	\$1,994,508	\$1,455,086	(\$623,804)	(\$662,072)	(\$665,823)	(\$791,313)
School District's covered-employee payroll	\$3,946,743	\$4,164,057	\$4,462,143	\$4,713,207	\$4,031,471	\$4,218,421
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	50.5%	34.9%	-14.0%	-14.0%	-16.5%	-18.8%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	37.3%	47.1%	176.0%	174.7%	182.1%	174.7%
<i>School Employees Retirement System</i>						
School District's proportion of the net OPEB liability	0.043540300%	0.043393400%	0.042386100%	0.041966300%	0.041627900%	0.040079400%
School District's proportionate share of the net OPEB liability	\$1,236,872	\$1,164,565	\$1,175,905	\$1,055,364	\$904,711	\$758,535
School District's covered-employee payroll	\$1,316,400	\$1,377,943	\$1,293,170	\$1,318,185	\$1,305,021	\$1,243,450
School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	94.0%	84.5%	90.9%	80.1%	69.3%	61.0%
Plan fiduciary net position as a percentage of the total OPEB liability	11.5%	12.5%	13.6%	15.6%	18.2%	24.1%

The amounts presented are as of the School District's measurement date, which is the prior fiscal year end.
Information not available prior to 2017.
See accompanying notes to the required supplementary information.

Williamsburg Local School District
Required Supplementary Information
Schedule of School District Contributions
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<i>State Teachers Retirement System</i>										
Contractually required contribution - pension	\$471,042	\$472,383	\$518,096	\$552,544	\$582,968	\$624,700	\$659,849	\$564,406	\$590,579	\$618,329
Contractually required contribution - OPEB	36,234	36,337	0	0	0	0	0	0	0	0
Contractually required contribution - total	507,276	508,720	518,096	552,544	582,968	624,700	659,849	564,406	590,579	618,329
Contributions in relation to the contractually required contribution	507,276	508,720	518,096	552,544	582,968	624,700	659,849	564,406	590,579	618,329
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District's covered-employee payroll	\$3,623,400	\$3,633,715	\$3,700,686	\$3,946,743	\$4,164,057	\$4,462,143	\$4,713,207	\$4,031,471	\$4,218,421	\$4,416,636
Contributions as a percentage of covered-employee payroll - pension	13.00%	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered-employee payroll - OPEB	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered-employee payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
<i>School Employees Retirement System</i>										
Contractually required contribution - pension	\$150,104	\$162,163	\$168,825	\$184,296	\$192,912	\$174,578	\$177,955	\$182,703	\$174,083	\$210,240
Contractually required contribution - OPEB (1)	1,735	1,638	10,504	0	0	6,466	6,591	0	0	0
Contractually required contribution - total	151,839	163,801	179,329	184,296	192,912	181,044	184,546	182,703	174,083	210,240
Contributions in relation to the contractually required contribution	151,839	163,801	179,329	184,296	192,912	181,044	184,546	182,703	174,083	210,240
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District's covered-employee payroll	\$1,084,566	\$1,170,007	\$1,280,918	\$1,316,400	\$1,377,943	\$1,293,170	\$1,318,185	\$1,305,021	\$1,243,450	\$1,501,714
Contributions as a percentage of covered-employee payroll - pension	13.84%	13.86%	13.18%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	14.00%
Contributions as a percentage of covered-employee payroll - OPEB	0.16%	0.14%	0.82%	0.00%	0.00%	0.50%	0.50%	0.00%	0.00%	0.00%
Contributions as a percentage of covered-employee payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

(1) Excludes surcharge.

See accompanying notes to the required supplementary information.

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

State Teachers Retirement System

Pension

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2015 through 2017. For fiscal year 2018, the cost of living adjustment (COLA) was reduced to 0 percent effective July 1, 2017. There were no changes to benefit terms for fiscal years 2019 through 2022.

Changes in assumptions

There were no changes in assumptions for fiscal years 2015 through 2017.

For fiscal year 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Inflation assumptions were lowered from 2.75 percent to 2.5 percent.
- Investment return assumptions were lowered from 7.75 percent to 7.45 percent.
- Total salary increases rates were lowered by decreasing merit component of the individual salary increases, as well as by 0.25 percent due to lower inflation.
- Payroll growth assumptions were lowered from 3.5 percent to 3.0 percent.
- Updated the health and disability mortality assumption to the RP-2014 mortality tables with generational improvement scale MP-2016.
- Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

There were no changes in assumptions for fiscal years 2019 through 2021.

For fiscal year 2022, the following was the most significant change of assumptions that affected the total pension liability since the prior measurement date:

- Investment rate of return and discount rate of return assumptions were lowered from 7.45 percent to 7.0 percent.

OPEB

Changes in benefit terms

There were no changes to benefit terms for fiscal year 2017.

For fiscal year 2018, STRS has the following changes in benefit terms since the previous measurement date:

- The HealthSpan HMO plans were eliminated.
- The subsidy multiplier for non-Medicare benefit recipients was reduced to 1.9 percent per year of service from 2.1 percent.
- Medicare Part B premium reimbursements were discontinued for survivors and beneficiaries who were age 65 by 2008 and either receiving a benefit or named as a beneficiary as of January 1, 2008.
- The remaining Medicare Part B premium reimbursements will be phased out over a three-year period.

For fiscal year 2019, the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The subsidy multiplier for non-Medicare benefit recipients increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium increased

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

effective January 1, 2019 and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020, though the STRS Board voted in June 2019 to extent the current Medicare Part B partial reimbursement for one year.

For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% 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.

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

For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

Changes in assumptions

There were no changes in assumptions for fiscal year 2017.

For fiscal year 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB 74.
- The long-term rate of return was reduced to 7.45 percent.
- Valuation-year per capita health costs were updated.
- The percentage of future retirees electing each option was updated based on current data.
- The assumed future trend rates were modified.
- Decrement rates including mortality, disability, retirement, and withdrawal were modified.
- The assumed percentage of future disabled retirees assumed to elect health coverage was decreased from 84 percent to 65 percent, and the assumed percentage of terminated vested participants assumed to elect health coverage at retirement was decreased from 47 percent to 30 percent.
- The assumed salary scale was modified.

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate increased from a 4.13 percent blended discount rate to 7.45 percent.
- The health care trend assumption rate changed from 6 to 11 percent initial, 4.5 percent ultimate to:
 - Medical Medicare – 5 percent initial, 4 percent ultimate
 - Medical Pre-Medicare – 6 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – -5.23 percent initial, 4 percent ultimate
 - Prescription Drug Pre-Medicare – 8 percent initial, 4 percent ultimate

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

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
 - Medical Medicare – from 5 percent to 4.93 percent initial, 4 percent ultimate
 - Medical Pre-Medicare – from 6 percent to 5.87 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – from -5.23 percent to 9.62 percent initial, 4 percent ultimate
 - Prescription Drug Pre-Medicare – from 8 percent to 7.73 initial, 4 percent ultimate

For fiscal year 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
 - Medical Medicare – from 4.93 percent to -6.69 percent initial, 4 percent ultimate
 - Medical Pre-Medicare – from 5.87 percent to 5 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – from 9.62 percent to 11.87 percent initial, 4 percent ultimate
 - Prescription Drug Pre-Medicare – from 7.73 percent to 6.5 initial, 4 percent ultimate

For fiscal year 2022, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate increased from 7.45 percent to 7.0 percent.
- The health care trend assumption rate changed as follows:
 - Medical Medicare – from -6.69 percent initial, 4 percent ultimate to -16.18 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – from 11.87 percent initial, 4 percent ultimate to 29.98 percent initial, 4 percent ultimate

School Employees Retirement System

Pension

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2015 through 2017.

For fiscal year 2018, the following were the most significant changes in benefit that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.5 percent with a floor of 0 percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendars 2018, 2019, and 2020.

There were no changes to benefit terms for fiscal years 2019 through 2021.

For fiscal year 2022, the following was the most significant change in benefit that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from 2.5 percent to 2.0 percent.

Changes in assumptions

There were no changes in assumptions for fiscal years 2015 through 2017.

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

For fiscal year 2018, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2016 and prior are presented below:

- Assumed rate of inflation was reduced from 3.25 percent to 3.0 percent
- Payroll Growth Assumption was reduced from 4.0 percent to 3.5 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.5 percent
- Investment rate of return was reduced from 7.75 percent to 7.5 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. The above rates represent the base rates used.
- 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 percent of male rates, and 110 percent of female rates.
- Mortality among disable member was updated to the following:
 - RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

There were no changes in assumptions for fiscal years 2019 through 2021.

For fiscal year 2022, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

- Assumed rate of inflation was reduced from 3.0 percent to 2.4 percent
- Payroll Growth Assumption was reduced from 3.5 percent to 3.25 percent
- Investment rate of return was reduced from 7.5 percent to 7.0 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among members was updated to the following:
 - PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females.
- Mortality among disabled members was updated to the following:
 - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females.

OPEB

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2017 through 2022.

Changes in assumptions

For fiscal year 2017, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- Assumed rate of inflation was reduced from 3.25 percent to 3.0 percent
- Payroll growth assumption was reduced from 4.0 percent to 3.5 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.5 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:

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

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

For fiscal year 2018, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 2.98 percent to 3.63 percent.
- The municipal bond index rate increased from 2.92 percent to 3.56 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98 percent to 3.63 percent.

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was changed from 3.63 percent to 3.70 percent.
- The municipal bond index rate increased from 3.56 percent to 3.62 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63 percent to 3.70 percent.
- The medical trend assumption rate changed as follows:
 - Medicare – 2018 – 5.50 to 5.00 percent, 2019 – 5.375 to 4.75 percent
 - Pre-Medicare – 2018 – 7.50 to 5.00 percent, 2019 – 7.25 to 4.75

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.62 percent to 3.13 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70 percent to 3.22 percent.
- The medical trend assumption rate changed as follows:
 - Medicare – 2019 – 5.375 to 4.75 percent, 2020 – 5.25 to 4.75 percent
 - Pre-Medicare – 2019 – 7.25 to 4.75, 2020 – 7 to 4.75 percent

For fiscal year 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.13 percent to 2.45 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22 percent to 2.63 percent.

For fiscal year 2022, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The inflation rate decreased from 3.0 percent to 2.4 percent.
- Projected salary increases decreased from 3.5 percent to 3.25 percent.
- Investment rate of return decreased from 7.5 percent to 7.0 percent.

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

- The municipal bond index rate decreased from 2.45 percent to 1.92 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 2.63 percent to 2.27 percent.
- The medical trend assumption rate changed as follows:
 - Medicare – 2020 – 5.25 to 4.75 percent, 2022 – 5.125 to 4.4 percent
 - Pre-Medicare – 2020 – 7 to 4.75 percent, 2022 – 6.75 to 4.4 percent
- Mortality among members was updated to the following:
 - PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females.
- Mortality among disabled members was updated to the following:
 - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females.

**WILLIAMSBURG LOCAL SCHOOL DISTRICT
CLERMONT 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 Assistance Listing Number	Expenditures
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through The Ohio Department of Education:</i>			
Title I Grants to Local Educational Agencies	2021	84.010	\$ 45,187
Title I Grants to Local Educational Agencies	2022	84.010	<u>260,279</u>
Total Title I Grants to Local Educational Agencies			<u>305,466</u>
Special Education Cluster (IDEA):			
Special Education Grants to States	2021	84.027	25,376
Special Education Grants to States	2022	84.027	<u>241,364</u>
Total Special Education Grants to States			<u>266,740</u>
Special Education Preschool Grant	2022	84.173	<u>1,727</u>
Total Special Education Preschool Grant			<u>1,727</u>
Total Special Education Cluster (IDEA)			<u>268,467</u>
Title II-A Supporting Effective Instruction State Grants	2022	84.367	<u>30,619</u>
Title IV-A Student Support and Academic Enrichment	2022	84.424	<u>21,942</u>
Elementary and Secondary School Emergency Relief Fund	2021	84.425D	34,674
Elementary and Secondary School Emergency Relief Fund	2022	84.425D	422,844
Elementary and Secondary School Emergency Relief Fund - ARP	2022	84.425U	<u>483,696</u>
Total Education Stabilization Fund (ESF)			<u>941,214</u>
Total – U.S. Department of Education			<u>1,567,708</u>
Total Federal Financial Assistance			<u>\$ 1,567,708</u>

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

**WILLIAMSBURG LOCAL SCHOOL DISTRICT
CLERMONT COUNTY**

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

Note A – Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of **Williamsburg Local School District**, Clermont County, Ohio (the School 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 School District, it is not intended to and does not present the financial position or changes in net position of the School District.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in 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 School District has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note C – Matching Requirements

Certain federal programs require that the School District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The School District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included in the Schedule.



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

Williamsburg Local School District
Clermont County
549-A West Main Street
Williamsburg, Ohio 45176

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 the Williamsburg Local School District, Clermont 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 20, 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 20, 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**

Williamsburg Local School District
Clermont County
549-A West Main Street
Williamsburg, Ohio 45176

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited **Williamsburg Local 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 Williamsburg Local School District's major federal program for the year ended June 30, 2022. Williamsburg Local 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, Williamsburg Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

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

December 20, 2022

**WILLIAMSBURG LOCAL SCHOOL DISTRICT
CLERMONT COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any 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 weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any 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 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Elementary and Secondary School Emergency Relief Fund, 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?	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



**WILLIAMSBURG LOCAL SCHOOL DISTRICT
CLERMONT 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 2/14/2023

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