OHIO AUDITOR OF STATE

KEITH FABER

CLOVERLEAF LOCAL SCHOOL DISTRICT
MEDINA COUNTY

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INDEPENDENT AUDITOR'S REPORT

Cloverleaf Local School District
Medina County
8525 Friendsville Road
Lodi, Ohio 44254

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 Cloverleaf Local City School District, Medina County, Ohio (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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 Cloverleaf Local School District, Medina County, Ohio as of June 30, 2023, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for 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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

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 District's basic financial statements. The Federal Awards Receipts and Expenditures Schedule 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 Federal Awards Receipts and Expenditures 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 March 8, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

March 8, 2024

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The discussion and analysis of Cloverleaf Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the financial statements and notes to those respective statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- The ending net position was $49,324,512, an increase of $13,435,763 over the prior fiscal year. While total net position increased during the fiscal year, the total net position increased by less than the prior fiscal year. This fact was due primarily to the progress of construction projects, changes in assumptions in pension plans, and the issuance of long-term debt.

- The School District had $39,893,192 in expenses related to governmental activities. $6,920,375 of these expenses were offset by program specific charges for services, operating grants and contributions, and capital grants and contributions, while the remaining amount was covered by general revenues totaling $46,408,580.

Using this Annual Financial Report

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

The statement of net position and the statement of activities provide information about the activities of the whole School District, presenting both an aggregate and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements explain 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 most significant funds with all other nonmajor funds presented in total in one column. In the case of Cloverleaf Local School District, the general fund, the building fund, the capital projects, and the capital grants fund are the most significant funds.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 23-68 of this report.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "How did we do financially during fiscal year 2023?" The statement of net position and the statement of activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources except fiduciary funds using the accrual basis of accounting, similar to the accounting used by most private-sector companies. Accrual 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 that net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's performance, demographic and socioeconomic factors and the willingness of the community to support the School District.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 10. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, the building fund, the capital projects fund, and the capital grants fund.

Governmental Funds Most of the School District's activities are reported as governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end that are 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These funds use the accrual basis of accounting.

The School District as a Whole

You may recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal years 2023 and 2022.

Table 1
Net Position
Governmental Activities

	2023	Restated 2022	Change
Assets			
Current and Other Assets	$117,988,440	$111,201,732	$6,786,708
Net OPEB Asset	2,848,421	2,347,492	500,929
Capital Assets, Net	71,908,674	44,809,075	27,099,599
Total Assets	192,745,535	158,358,299	34,387,236
Deferred Outflows of Resources			
Deferred Charges on Refunding	2,146,219	2,289,300	(143,081)
Pension	7,947,594	8,130,227	(182,633)
OPEB	775,777	946,706	(170,929)
Total Deferred Outflows of Resources	10,869,590	11,366,233	(496,643)
Liabilities			
Current and Other Liabilities	7,762,042	6,898,480	(863,562)
Long-Term Liabilities:			
Due Within One Year	3,842,746	3,783,227	(59,519)
Due in More than One Year:			
Net Pension Liability	31,653,267	19,068,800	(12,584,467)
Net OPEB Liability	1,915,311	2,559,475	644,164
Other Amounts	81,470,628	63,380,514	(18,090,114)
Total Liabilities	126,643,994	95,690,496	(30,953,498)
Deferred Inflows of Resources			
Property Taxes	20,154,249	18,740,767	(1,413,482)
Pension	2,901,137	15,063,362	12,162,225
OPEB	4,591,233	4,341,158	(250,075)
Total Deferred Inflows of Resources	27,646,619	38,145,287	10,498,668
Net Position			
Net Investment in Capital Assets	22,339,791	16,138,910	6,200,881
Restricted	12,131,229	11,106,566	1,024,663
Unrestricted	14,853,492	8,643,273	6,210,219
Total Net Position	$49,324,512	$35,888,749	$13,435,763

The net pension liability (NPL) is one of the largest single liabilities reported by the School District at June 30, 2023. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange; however, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Total governmental assets increased during fiscal year 2023. There was an increase in capital assets mainly attributed to additions through construction of the new high school, renovations of the middle school, and elementary addition projects. Property taxes receivable increased as well, which was due to an increase in assessed valuations based on the Medina County Auditor's calculations.

Liabilities increased as a result of the issuance of certificates of participation and the increase of net pension liability. The issuance of certificates of participation was for the purpose of renovations to the middle school building. The increase of the net pension liability was from changes in assumptions and benefit terms of the pension plans.

Deferred outflows of resources and deferred inflows of resources both decreased due to changes in assumptions and benefit terms of pension plans.

In order to further understand what makes up the change in net position for the fiscal year 2023, Table 2 gives further details regarding the results of activities for the current and prior fiscal years.

Table 2
Change in Net Position
Governmental Activities

	2023	Restated 2022	Change
Revenues			
Program Revenues:			
Charges for Services	$2,348,715	$1,706,337	$642,378
Operating Grants and Contributions	4,553,300	5,244,641	(691,341)
Capital Grants and Contributions	18,360	2,500	15,860
Total Program Revenues	6,920,375	6,953,478	(33,103)
General Revenues:			
Property Taxes	25,611,530	25,195,631	415,899
Income Taxes	7,012,101	7,156,926	(144,825)
Payments in Lieu of Taxes	4,600	5,850	(1,250)
Grants and Entitlements, not Restricted	10,175,895	10,183,913	(8,018)
Grants Restricted for Permanent Improvements	1,721,617	972,310	749,307
Investment Earnings and Other Interest	1,799,677	(1,355,135)	3,154,812
Miscellaneous	83,160	96,033	(12,873)
Total General Revenues	46,408,580	42,255,528	4,153,052
Total Revenues	53,328,955	49,209,006	4,119,949
Program Expenses			
Instruction:			
Regular	17,920,884	15,159,274	(2,761,610)
Special	4,879,186	4,273,840	(605,346)
Vocational	160,015	95,908	(64,107)
Student Intervention Services	290,217	227,123	(63,094)
Support Services:			
Pupils	2,690,664	2,172,736	(517,928)
Instructional Staff	1,074,473	1,249,213	174,740
Board of Education	127,338	126,374	(964)
Administration	1,766,133	1,379,649	(386,484)
Fiscal	899,002	767,351	(131,651)
Business	112,341	116,399	4,058
Operation and Maintenance of Plant	2,765,378	2,849,605	84,227
Pupil Transportation	1,920,058	2,268,075	348,017
Central	163,490	128,634	(34,856)
Food Service Operations	1,077,302	1,041,633	(35,669)
Community Services	514,034	481,072	(32,962)
Extracurricular Activities	1,149,102	1,009,498	(139,604)
Interest	2,383,575	1,591,203	(792,372)
Total Program Expenses	39,893,192	34,937,587	(4,955,605)
Change in Net Position	13,435,763	14,271,419	(835,656)
Net Position Beginning of Year	35,888,749	21,617,330	14,271,419
Net Position End of Year	$49,324,512	$35,888,749	$13,435,763

The School District carefully tracks its revenues and expenses in order to avoid creating a deficit. Although the School District relies heavily upon local property taxes to support its operations, the School District relies upon and actively solicits and receives additional grant and entitlement funding to help offset some educational and operating costs.

Regardless of the increase in total program expenses, net position increased in fiscal year 2023 with an increase in total revenues. The increase in total revenues was primarily attributable to the increase in investment earnings and other interest. This change was due to the upswing in the economy following the end of the COVID-19 pandemic.

As one can see, the five highest program expenses are for regular instruction, special instruction, pupil support services, operation and maintenance of plant support services, and interest.

The primary component of the increase in program expenses resulted from inflationary instruction costs per pupil and changes in assumptions and benefit terms of pension plans.

The statement of activities shows the total net cost of program services. Table 3 shows the total cost of services for governmental activities and the net cost of those services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Instruction:				
Regular	$17,920,884	($16,162,076)	$15,159,274	($13,656,452)
Special	4,879,186	(3,866,573)	4,273,840	(2,443,969)
Vocational	160,015	(159,659)	95,908	(94,879)
Student Intervention Services	290,217	(289,890)	227,123	(225,217)
Support Services:				
Pupils	2,690,664	(2,392,948)	2,172,736	(1,936,226)
Instructional Staff	1,074,473	(527,322)	1,249,213	(583,059)
Board of Education	127,338	(127,194)	126,374	(125,341)
Administration	1,766,133	(1,764,163)	1,379,649	(1,362,268)
Fiscal	899,002	(898,036)	767,351	(761,267)
Business	112,341	(106,784)	116,399	(111,576)
Operation and Maintenance of Plant	2,765,378	(2,574,934)	2,849,605	(2,586,712)
Pupil Transportation	1,920,058	(732,725)	2,268,075	(2,159,693)
Central	163,490	(163,299)	128,634	(127,489)
Food Service Operations	1,077,302	212,849	1,041,633	565,567
Community Services	514,034	(281,029)	481,072	(115,754)
Extracurricular Activities	1,149,102	(755,459)	1,009,498	(668,571)
Interest	2,383,575	(2,383,575)	1,591,203	(1,591,203)
Total Expenses	$39,893,192	($32,972,817)	$34,937,587	($27,984,109)

School District's Funds

Information regarding the School District's major funds can be found beginning on page 16. These funds are accounted for using the modified accrual basis of accounting. Total fund balance saw an increase from the prior fiscal year's ending balance due to increase in property taxes and investment earnings and other interest revenues and certificates of participation issuance, offset by an increase in capital outlay. The increase in property taxes was from increased assessed valuations, and the increase in investment earnings and other interest was from the expanding economy following the COVID-19 pandemic. Capital outlay increased over the prior fiscal year primarily due to the construction costs of the new high school and the renovations of the middle school being built with the proceeds from certificates of participation in fiscal years 2021 and 2023, respectively.

The fiscal year-end fund balance for the general fund saw an increase from the prior fiscal year's ending balance due to increases in property taxes and investment earnings and other interest revenues for reasons mentioned previously. Overall, expenses increased from the prior fiscal year. With the large margin between revenues and expenditures, the general fund was able to transfer out to other funds, providing a significant transfer of monies to the capital projects fund during fiscal year 2023.

The building fund saw a decrease from the prior fiscal year. The School District received a new certificates of participation issuance for middle school renovations, but that issuance of debt quickly began to be paid down in addition to the 2021 certificates of participation continuing to be paid down for the new high school.

The capital projects fund decreased during the fiscal year. The general fund continued to be able to transfer a significant amount in order to help with capital improvements and debt obligations.

The capital grants fund was able to cover the increase in debt service payments as a result of the increase in intergovernmental revenue based on sales tax revenues increase in the County.

General Fund Budgeting Highlights

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

During the course of fiscal year 2023, the School District amended its general fund budget several times. For the general fund, the final budget basis revenue estimates increased compared to the original budget basis revenue estimates due to higher intergovernmental revenue estimates. Actual revenues were higher than final budgeted revenues mainly due to income taxes and intergovernmental revenues coming in higher than expected. The final budgeted expenditures were higher than the original budgeted expenditures, primarily in regular and special instruction and pupils support services, due to conservative budgeting. Actual expenditures were lower than final budgeted expenditures in regular instruction due to spending less on materials and supplies.

Capital Assets and Debt Administration

Capital Assets

All capital assets, except land and construction in progress, are reported net of depreciation/amortization. The increase in capital assets was the result of new asset purchases and projects exceeding annual depreciation/amortization and deletions, which consisted of building and land improvements throughout the School District, a new high school, renovations to the middle school building, an elementary school building addition, classroom equipment, various support service vehicles and equipment, food services equipment, and extracurricular activities equipment. For more information on capital assets, refer to Note 12 of the basic financial statements.

Debt

During the fiscal year, outstanding debt increased due to the issuance of new certificates of participation outweighing the payment of current debt obligations.

The 2020A refunding certificates of participation were issued to refund the majority of the 2014 refunding certificates of participation and the remaining 2017 refunding certificates of participation. This debt will be fully repaid in fiscal year 2038.

The 2020B certificates of participation were issued to construct, enlarge, furnish, and equip the School District's outdoor athletic facilities. This debt will be fully repaid in fiscal year 2035.

The 2021 certificates of participation were issued to construct, enlarge, furnish, and equip the School District's high school facilities. This debt will be fully repaid in fiscal year 2051.

The 2022 certificates of participation were issued to construct, enlarge, furnish, and equip the School District's middle school facilities. This debt will be fully repaid in fiscal year 2053.

The School District's overall legal debt margin was $81,781,570 with an unvoted debt margin of $908,683.

In addition to the long-term debt, the School District's long-term obligations include net pension liability, net OPEB liability, subscriptions payable, and compensated absences. Additional information for long-term obligations can be found in Note 13.

Current Financial Related Activities

The School District has faced a variety of financial challenges in recent years. On the May 6, 2014 ballot, the School District's voters passed an additional 3.5 mill operating levy and an additional 0.75 percent income tax. The School District's financial condition has significantly improved because of voter support.

The School District continues to strive for financial stability while attempting to maximize the impact on educational programs. The School District is currently projecting a positive cash balance within the five-year forecast through 2028. Management will continue to collaborate with staff members and the community to improve the financial condition of the School District for the benefit of students.

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 any questions about this report or need additional financial information, contact Mr. James Hudson, Treasurer, at Cloverleaf Local School District, 8525 Friendsville Road, Lodi, Ohio 44254, or email at jim.hudson@cloverleaflocal.org.

Basic Financial Statements

Cloverleaf Local School District
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$77,896,670
Accrued Interest Receivable	265,112
Property Taxes Receivable	35,112,008
Income Taxes Receivables	2,606,257
Accounts Receivable	6,260
Intergovernmental Receivable	2,024,912
Prepaid Items	61,167
Inventory Held for Resale	9,415
Materials and Supplies Inventory	6,639
Net OPEB Asset (See Note 23)	2,848,421
Nondepreciable/Amortized Capital Assets	34,745,447
Depreciable/Amortized Capital Assets, Net	37,163,227
Total Assets	192,745,535
Deferred Outflows of Resources	
Deferred Charges on Refunding	2,146,219
Pension	7,947,594
OPEB	775,777
Total Deferred Outflows of Resources	10,869,590
Liabilities	
Accounts Payable	312,922
Accrued Wages and Benefits	2,512,758
Intergovernmental Payable	817,672
Accrued Interest Payable	377,683
Contracts Payable	2,689,371
Retainage Payable	716,134
Unearned Revenue	335,502
Long-Term Liabilities:	
Due Within One Year	3,842,746
Due in More Than One Year:	
Net Pension Liability (See Note 22)	31,653,267
Net OPEB Liability (See Note 23)	1,915,311
Other Amounts Due in More Than One Year	81,470,628
Total Liabilities	126,643,994
Deferred Inflows of Resources	
Property Taxes	20,154,249
Pension	2,901,137
OPEB	4,591,233
Total Deferred Inflows of Resources	27,646,619
Net Position	
Net Investment in Capital Assets	22,339,791
Restricted for:	
Capital Projects	10,633,133
Food Service Operations	519,534
Student Activities	103,615
Athletics and Music	183,291
Local Grants	15,013
State Grants	18,655
Federal Grants	683
OPEB Plan	649,654
Unclaimed Monies	7,651
Unrestricted	14,853,492
Total Net Position	$49,324,512

See accompanying notes to the basic financial statements

Cloverleaf Local School District

Statement of Activities

For the Fiscal Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	$17,920,884	$911,262	$829,186	$18,360	($16,162,076)
Special	4,879,186	243,933	768,680	0	(3,866,573)
Vocational	160,015	179	177	0	(159,659)
Student Intervention Services	290,217	327	0	0	(289,890)
Support Services:					
Pupils	2,690,664	2,734	294,982	0	(2,392,948)
Instructional Staff	1,074,473	21,500	525,651	0	(527,322)
Board of Education	127,338	144	0	0	(127,194)
Administration	1,766,133	1,970	0	0	(1,764,163)
Fiscal	899,002	966	0	0	(898,036)
Business	112,341	5,557	0	0	(106,784)
Operation and Maintenance of Plant	2,765,378	2,924	187,520	0	(2,574,934)
Pupil Transportation	1,920,058	2,356	1,184,977	0	(732,725)
Central	163,490	191	0	0	(163,299)
Food Service Operations	1,077,302	573,683	716,468	0	212,849
Community Services	514,034	225,982	7,023	0	(281,029)
Extracurricular Activities	1,149,102	355,007	38,636	0	(755,459)
Interest	2,383,575	0	0	0	(2,383,575)
Total	$39,893,192	$2,348,715	$4,553,300	$18,360	(32,972,817)

General Revenues	
Property Taxes Levied for:	
General Purposes	24,566,636
Capital Projects	1,044,894
Income Taxes Levied for General Purposes	7,012,101
Payments in Lieu of Taxes	4,600
Grants and Entitlements not Restricted to Specific Programs	10,175,895
Grants Restricted for Permanent Improvements	1,721,617
Investment Earnings and Other Interest	1,799,677
Miscellaneous	83,160
Total General Revenues	46,408,580
Change in Net Position	13,435,763
Net Position Beginning of Year - Restated (See Note 3)	35,888,749
Net Position End of Year	$49,324,512

See accompanying notes to the basic financial statements

Cloverleaf Local School District
Balance Sheet
Governmental Funds
June 30, 2023

	General	Building	Capital Projects	Capital Grants	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	$36,332,524	$30,865,743	$7,377,113	$0	$3,313,639	$77,889,019
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	7,651	0	0	0	0	7,651
Accrued Interest Receivable	115,915	135,322	13,875	0	0	265,112
Property Taxes Receivable	33,815,429	0	0	0	1,296,579	35,112,008
Income Taxes Receivables	2,606,257	0	0	0	0	2,606,257
Accounts Receivable	6,260	0	0	0	0	6,260
Intergovernmental Receivable	458,422	0	0	1,057,304	509,186	2,024,912
Interfund Receivable	977,789	0	0	0	0	977,789
Prepaid Items	50,476	0	0	0	10,691	61,167
Inventory Held for Resale	0	0	0	0	9,415	9,415
Materials and Supplies Inventory	0	0	0	0	6,639	6,639
Total Assets	$74,370,723	$31,001,065	$7,390,988	$1,057,304	$5,146,149	$118,966,229
Liabilities						
Accounts Payable	$59,613	$4,298	$14,195	$0	$234,816	$312,922
Accrued Wages and Benefits	2,289,112	0	0	0	223,646	2,512,758
Intergovernmental Payable	796,131	125	62	0	21,354	817,672
Contracts Payable	295	2,590,411	98,665	0	0	2,689,371
Retainage Payable	0	716,134	0	0	0	716,134
Interfund Payable	0	0	0	0	977,789	977,789
Unearned Revenue	0	0	0	0	335,502	335,502
Total Liabilities	3,145,151	3,310,968	112,922	0	1,793,107	8,362,148
Deferred Inflows of Resources						
Property Taxes	19,345,133	0	0	0	809,116	20,154,249
Unavailable Revenue	13,525,479	0	0	701,679	918,131	15,145,289
Total Deferred Inflows of Resources	32,870,612	0	0	701,679	1,727,247	35,299,538
Fund Balances						
Nonspendable	58,127	0	0	0	17,330	75,457
Restricted	0	27,690,097	7,278,066	355,625	2,107,171	37,430,959
Committed	112,730	0	0	0	6,959	119,689
Assigned	294,545	0	0	0	0	294,545
Unassigned (Deficit)	37,889,558	0	0	0	(505,665)	37,383,893
Total Fund Balances	38,354,960	27,690,097	7,278,066	355,625	1,625,795	75,304,543
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$74,370,723	$31,001,065	$7,390,988	$1,057,304	$5,146,149	$118,966,229

See accompanying notes to the basic financial statements

Cloverleaf Local School District

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities

June 30, 2023

Total Governmental Fund Balances		$75,304,543
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.		71,908,674
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Delinquent Property Taxes	$13,033,199	
Income Taxes	455,718	
Intergovernmental	611,061	
County Levied Sales Tax	701,679	
Tuition and Fees	343,632	
Total		15,145,289
Deferred outflows of resources represent deferred charges on refundings, which are not reported in the funds.		2,146,219
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.		(377,683)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Certificates of Participation	(82,118,724)	
Subscriptions Payable	(10,142)	
Compensated Absences	(3,184,508)	
Total		(85,313,374)
The net pension and net OPEB asset/liabilities are not due and payable in the current period; therefore, the asset/liabilities and related deferred outflows/inflows are not reported in governmental funds:		
Net OPEB Asset	2,848,421	
Deferred Outflows - Pension	7,947,594	
Deferred Outflows - OPEB	775,777	
Net Pension Liability	(31,653,267)	
Net OPEB Liability	(1,915,311)	
Deferred Inflows - Pension	(2,901,137)	
Deferred Inflows - OPEB	(4,591,233)	
Total		(29,489,156)
Net Position of Governmental Activities		$49,324,512

See accompanying notes to the basic financial statements

Cloverleaf Local School District

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	General	Building	Capital Projects	Capital Grants	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	$21,033,161	$0	$0	$0	$925,714	$21,958,875
Income Taxes	7,060,959	0	0	0	0	7,060,959
Payments in Lieu of Taxes	4,600	0	0	0	0	4,600
Intergovernmental	11,189,713	0	0	1,580,102	3,789,014	16,558,829
Investment Earnings and Other Interest	405,858	1,506,215	(112,396)	0	0	1,799,677
Tuition and Fees	1,141,519	0	0	0	0	1,141,519
Charges for Services	311,872	0	0	0	493,185	805,057
Extracurricular Activities	27,340	0	0	0	243,534	270,874
Contributions and Donations	29,410	0	0	0	15,700	45,110
Rentals	81,131	0	0	0	2,192	83,323
Miscellaneous	39,106	0	0	0	44,054	83,160
Total Revenues	41,324,669	1,506,215	(112,396)	1,580,102	5,513,393	49,811,983
Expenditures						
Current:						
Instruction:						
Regular	15,646,446	0	0	0	860,205	16,506,651
Special	4,103,149	0	0	0	698,404	4,801,553
Vocational	156,346	0	0	0	0	156,346
Student Intervention Services	288,834	0	0	0	0	288,834
Support Services:						
Pupils	2,346,907	0	0	0	278,037	2,624,944
Instructional Staff	622,241	0	0	0	474,840	1,097,081
Board of Education	127,338	0	0	0	0	127,338
Administration	1,705,038	0	0	0	40,900	1,745,938
Fiscal	893,107	0	0	0	18,743	911,850
Business	108,407	0	0	0	3,934	112,341
Operation and Maintenance of Plant	2,582,227	0	0	0	240,345	2,822,572
Pupil Transportation	2,057,186	0	0	0	348,084	2,405,270
Central	166,981	0	0	0	0	166,981
Food Service Operations	0	0	0	0	1,143,019	1,143,019
Community Services	425,584	0	0	0	14,900	440,484
Extracurricular Activities	771,584	0	0	0	286,719	1,058,303
Capital Outlay	19,466	24,849,885	2,659,663	2,500	132,996	27,664,510
Debt Service:						
Principal Retirement	9,324	0	2,485,000	970,000	132,996	3,597,320
Interest	504	58,711	1,582,844	616,074	0	2,258,133
Issuance Costs	0	456,825	0	0	0	456,825
Total Expenditures	32,030,669	25,365,421	6,727,507	1,588,574	4,674,122	70,386,293
Excess of Revenues Over (Under) Expenditures	9,294,000	(23,859,206)	(6,839,903)	(8,472)	839,271	(20,574,310)
Other Financing Sources (Uses)						
Sale of Capital Assets	0	0	0	0	2,125	2,125
Certificates of Participation Issued	0	21,000,000	0	0	0	21,000,000
Premium on Certificates of Participation Issued	0	515,536	0	0	0	515,536
Inception of Subscriptions	19,466	0	0	0	132,996	152,462
Transfers In	0	0	5,574,821	16,520	116,791	5,708,132
Transfers Out	(5,691,612)	0	0	0	(16,520)	(5,708,132)
Total Other Financing Sources (Uses)	(5,672,146)	21,515,536	5,574,821	16,520	235,392	21,670,123
Net Change in Fund Balances	3,621,854	(2,343,670)	(1,265,082)	8,048	1,074,663	1,095,813
Fund Balances Beginning of Year	34,733,106	30,033,767	8,543,148	347,577	551,132	74,208,730
Fund Balances End of Year	$38,354,960	$27,690,097	$7,278,066	$355,625	$1,625,795	$75,304,543

See accompanying notes to the basic financial statements

Cloverleaf 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, 2023

Net Change in Fund Balances - Total Governmental Funds		$1,095,813
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital asset additions exceeded depreciation/amortization in the current period:		
Capital Asset Additions:		
Capital Outlay	$28,496,727	
Capital Contributions	18,360	
Current Year Depreciation/Amortization	(1,377,220)	
Total		27,137,867
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(38,268)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Delinquent Property Taxes	3,652,655	
Income Taxes	(48,858)	
Intergovernmental	(190,082)	
County Levied Sales Tax	36,955	
Tuition and Fees	47,942	
Total		3,498,612
Other financing sources in the governmental funds increase long-term liabilities in the statement of net position:		
Certificates of Participation Issued	(21,000,000)	
Premium on Certificates of Participation Issued	(515,536)	
Inception of Subscriptions	(152,462)	
Total		(21,667,998)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Certificates of Participation	3,455,000	
Subscriptions Payable	142,320	
Total		3,597,320
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Accrued Interest	(84,761)	
Amortization of Certificates of Participation Premiums	102,400	
Amortization of Deferred Charges on Refunding	(143,081)	
Total		(125,442)
Compensated absences 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.		(181,355)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	2,858,410	
OPEB	100,895	
Total		2,959,305
Except for amounts reported as deferred outflows/inflows, changes in the net pension/OPEB asset/liabilities are reported as pension/OPEB expense in the statement of activities:		
Pension	(3,463,285)	
OPEB	623,194	
Total		(2,840,091)
Change in Net Position of Governmental Activities		$13,435,763

See accompanying notes to the basic financial statements

Cloverleaf 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, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Property Taxes	$15,964,700	$15,964,700	$15,969,404	$4,704
Income Taxes	6,228,746	6,228,746	7,354,211	1,125,465
Payments in Lieu of Taxes	15,000	4,600	4,600	0
Intergovernmental	8,420,814	10,410,510	10,976,204	565,694
Interest	250,000	520,067	520,067	0
Tuition and Fees	725,000	867,990	867,990	0
Extracurricular Activities	2,500	5,514	5,514	0
Miscellaneous	155,000	25,847	25,847	0
Total Revenues	31,761,760	34,027,974	35,723,837	1,695,863
Expenditures				
Current:				
Instruction:				
Regular	9,608,104	11,550,970	11,506,951	44,019
Special	2,995,910	3,635,572	3,635,572	0
Vocational	100,000	156,125	156,125	0
Student Intervention Services	230,000	208,026	208,026	0
Support Services:				
Pupils	2,000,741	2,403,144	2,403,144	0
Instructional Staff	656,907	646,881	646,881	0
Board of Education	136,758	140,513	140,513	0
Administration	1,532,150	1,681,835	1,681,835	0
Fiscal	731,686	825,120	825,120	0
Business	202,050	115,613	115,613	0
Operation and Maintenance of Plant	2,693,965	2,614,177	2,614,177	0
Pupil Transportation	2,080,500	2,141,198	2,141,198	0
Central	135,062	178,521	178,521	0
Community Services	27,000	37,280	37,280	0
Extracurricular Activities	720,000	732,565	732,565	0
Debt Service:				
Principal Retirement	9,324	9,324	9,324	0
Interest	504	504	504	0
Total Expenditures	23,860,661	27,077,368	27,033,349	44,019
Excess of Revenues Over Expenditures	7,901,099	6,950,606	8,690,488	1,739,882
Other Financing Sources (Uses)				
Advances In	375,000	624,396	624,396	0
Transfers In	2,500	7,841	7,841	0
Advances Out	0	(313,398)	(313,398)	0
Transfers Out	(7,350,000)	(5,742,850)	(5,742,850)	0
Total Other Financing Sources (Uses)	(6,972,500)	(5,424,011)	(5,424,011)	0
Net Change in Fund Balance	928,599	1,526,595	3,266,477	1,739,882
Fund Balance Beginning of Year	31,582,127	31,582,127	31,582,127	0
Prior Year Encumbrances Appropriated	210,661	210,661	210,661	0
Fund Balance End of Year	$32,721,387	$33,319,383	$35,059,265	$1,739,882

See accompanying notes to the basic financial statements

Cloverleaf Local School District

Statement of Fiduciary Net Position

Fiduciary Fund

June 30, 2023

	Private Purpose Trust Scholarship and Alumni Programs
Assets	
Equity in Pooled Cash and Cash Equivalents	$51,478
Liabilities	
Accounts Payable	2,068
Net Position	
Held in Trust for Scholarships:	
Expendable	$49,410

See accompanying notes to the basic financial statements

Cloverleaf Local School District

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2023

	Private Purpose Trust Scholarship and Alumni Programs
Additions	
Contributions and Donations	$28,176
Miscellaneous	2,000
Total Additions	30,176
Deductions	
Scholarships Awarded	11,831
Change in Fiduciary Net Position	18,345
Net Position Beginning of Year	31,065
Net Position End of Year	$49,410

See accompanying notes to the basic financial statements

Note 1 – Description of the School District and Reporting Entity

The Cloverleaf Local School District (the "School District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District is a local district as defined by Section 3311.03 of the Ohio Revised Code. The School District is governed by a five-member Board of Education (the Board) elected by its citizens, which is responsible for the provision of public education to residents of the School District.

The School District is located in Medina County and encompasses the Village of Lodi, Village of Westfield Center, Village of Seville, Village of Chippewa Lake, Village of Gloria Glens, Westfield Township, Harrisville Township, Chatham Township and Lafayette Township. The School District currently operates one elementary school, one middle school and one high school, which are staffed by 15 administrators, 183 certified employees, and 182 non-certified employees, who provide services to 2,278 students and other community members.

Reporting Entity

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The School District does not have any component units.

The School District participates in three jointly governed organizations and three public entity risk pools. These organizations are the Northeast Ohio Network for Educational Technology (NEOnet), the Medina County Career Center, the Ohio Schools Council, the Stark County Schools Council of Governments, the Comp Management Workers' Compensation Group Rating Program, and the Ohio School Plan. These organizations are addressed in Notes 17 and 18 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

The financial statements of the 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 entity for establishing governmental accounting and financial principles. The more significant of the School District's accounting policies are described as follows.

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. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, has no business-type activities.

The statement of net position presents the financial condition of the governmental activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are 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 program or is self-financing or draws from the general revenues of the School District.

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

Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District are divided into two categories: governmental and fiduciary.

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

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

> ***General Fund*** The general fund is the general operating fund of the School District and is used to account for and report all financial resources except those required to be accounted for and reported 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.

Building Fund To account for and report restricted monies used for the building, restoration or improvement of the School District property.

Capital Projects Fund The capital projects fund is used to account for accumulated money for one or more capital projects.

Capital Grants Fund The capital grants fund is used to account for revenues or grants received from another local government that are restricted to expenditures for permanent improvements.

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

Fiduciary Funds Types Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) 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's only fiduciary fund is a private purpose trust, which accounts for scholarship and alumni programs.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the School District are included on the statement of net position. The statement of activities presents increases (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 and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

Fiduciary funds present a statement of changes in fiduciary net position, which reports additions to and deletions from private purpose trust funds.

Basis of Accounting

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. Revenue from income taxes is recognized as revenue on the accrual basis in the period in which income is earned (see Note 8). Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 9). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the 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 the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension and OPEB plans. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 22 and 23.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB plans and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, income taxes, intergovernmental revenue, shared sales taxes, and tuition and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities found on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 22 and 23).

Expenditures/Expenses On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the fund financial statements as intergovernmental revenue and an expenditure of food service operations. In addition, this amount is reported on the statement of activities as an expense with a like amount reported within the "operating grants and contributions" program revenue account.

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

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liabilities (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 plans. 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.

Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled except for certain investments for the private purpose trust funds. Individual fund integrity is maintained through the School District records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

During fiscal year 2023, investments were limited to commercial paper, STAR Ohio, the State Treasurer's Investment Pool, money market accounts, municipal bonds, federal agricultural mortgage corporation bonds, federal farm credit bank bonds, federal home loan bank bonds, federal home loan mortgage corporation bonds, federal national mortgage association bonds, United States treasury bills, United States treasury notes, and negotiable certificates of deposit. Investments are reported at fair value except for commercial paper and STAR Ohio. The School District's commercial paper is measured at amortized cost, as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

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

For fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates; however, 24 hours advance notice for deposits and withdrawals of $100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to $250 million per day.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment earnings and other interest revenue credited to the general fund during 2023 amounted to $405,858, which includes $34,397 assigned from other School District funds.

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

Restricted Assets

Assets are reported as restricted when limitations on their use change in 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 provision. Restricted assets in the general fund are for unclaimed monies.

Prepaids

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are reported as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

Inventory

Inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are presented on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption and purchased and donated food held for resale.

Capital Assets

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

All capital assets (except for intangible right to use subscription assets, which are discussed later) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of capital assets by back trending (i.e., estimating the current replacement cost of the assets to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of five thousand dollars and useful life that extends beyond a single reporting period (one fiscal year). 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.

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

Description	Estimated Lives
Tangible Assets	
Land Improvements	5-20 Years
Buildings and Improvements	30-50 Years
Furniture and Equipment	5-20 Years
Vehicles	5-20 Years
Intangible Right to Use Subscription Assets	
Intangible Right to Use - Software	5 Years

The School District is reporting intangible right to use assets related to subscription assets. Subscription assets represent intangible right to use assets related to the use of another party's IT software. These intangible right to use assets are being amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying asset.

Interfund Balances

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

Internal Activity

Transfers between governmental funds are eliminated on the government-wide financial statements. Internal events are allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

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

Unearned Revenue

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because the amounts have not yet been earned. The School District recognizes unearned revenue for grant resources transmitted before eligibility requirements are met.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds; however, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Certificates of participation and subscriptions payable are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plans' fiduciary net position is not sufficient for payment of those benefits.

Subscription Payable

The School District is reporting Subscription-Based Information Technology Arrangements (SBITAs) for various noncancellable IT software contracts. At the commencement of the subscription term, the School District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at the commencement of the subscription term, plus certain initial implementation costs. Subsequently, the subscription asset is amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT asset. Subscription assets are reported with other capital assets, and subscription payables are reported with long-term debt on the statement of net position.

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.

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance 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 includes the remaining amount that is not restricted or committed. These assigned balances are established by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by the School District Board of Education or by a School District official delegated that authority by State statute. The Board of Education also assigned fund balance for uniform school supplies and public school support.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net position for an OPEB plan represents the corresponding restricted asset amount after considering the related deferred outflows and deferred inflows.

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

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.

Budgetary Data

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 amount that the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds. The Treasurer has been given authority to allocate Board appropriations to the function and object levels within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District's Treasurer. The amounts reported in the budgetary statement as the original and final budgeted amounts reflect the amounts in the amended certificate in effect when the original and final appropriations were passed by the Board of Education.

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

Premiums

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On fund financial statements, bond premiums are receipted in the year the bonds are issued.

Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Deferred Charges on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

Note 3 – Changes in Accounting Principles and Restatement of Net Position

Changes in Accounting Principles

For fiscal year 2023, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* and GASB Statement No. 99, *Omnibus 2022*.

GASB Statement 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The School District did not have any debt that met the definition of conduit debt.

GASB Statement 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The School District did not have any arrangements that met the GASB 94 definition of a PPP or an APA.

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). These changes were incorporated in the School District's 2023 financial statements. The School District recognized $50,250 in subscription assets at July 1, 2022, for payments made in the previous fiscal year prior to the beginning of the subscription term.

GASB Statement 99 addresses various issues including items related to leases, PPPs, and SBITAs. The requirements related to PPPs and SBITAs were incorporated with the corresponding GASB 94 and GASB 96 changes identified previously.

Restatement of Net Position

The implementation of GASB 96 had the following effect on net position as reported June 30, 2022:

	Governmental Activities
Net Position at June 30, 2022	$35,838,499
Adjustment for GASB Statement 96	50,250
Restated Net Position at June 30, 2022	$35,888,749

Note 4 – Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursement 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. Investments are reported at cost (budget basis) rather than fair value (GAAP basis).

3. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statement. These amounts are included as revenue on the GAAP basis operating statement.

4. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

5. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

6. Budgetary revenues and expenditures of the uniform school supply, recreation, food service consultation, emergency levy, public school support, unclaimed monies, and Ohio High School Athletic Association funds are reclassified to the general fund for GAAP reporting.

7. Encumbrances are treated as expenditures (budget basis) rather than as a restricted, committed, or assigned fund balance (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement for the general fund:

Net Change in Fund Balance

	General
GAAP Basis	$3,621,854
Net Adjustment for Revenue Accruals	(308,915)
Beginning Fair Value Adjustment for Investments	(782,328)
Ending Fair Value Adjustment for Investments	951,537
Beginning Unrecorded Cash	16,974
Ending Unrecorded Cash	(25,956)
Net Adjustment for Expenditure Accruals	(446,224)
Advances In	624,396
Advances Out	(313,398)
Perspective Differences:	
Uniform School Supply	(33,751)
Recreation	(17,596)
Food Service Consultation	(85,932)
Emergency Levy	213,521
Public School Support	8,118
Unclaimed Monies	6,819
Ohio High School Athletic Association	303
Adjustment for Encumbrances	(162,945)
Budget Basis	$3,266,477

Note 5 – Accountability

The following funds had deficit fund balances at June 30, 2023:

Fund	Deficit Fund Balances
Special Revenue Funds:	
Elementary and Secondary School Emergency Relief	$134,349
Title VI-B	120,041
Title I	76,091
Reducing Class Size	15,292
Miscellaneous Federal Grants	159,892

These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the general fund needed for operations until the receipt of grant monies. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 6 – 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 government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

Fund Balances	General	Building	Capital Projects	Capital Grants	Other Governmental Funds	Total
Nonspendable:						
Prepaids	$50,476	$0	$0	$0	$10,691	$61,167
Materials and Supplies Inventory	0	0	0	0	6,639	6,639
Unclaimed Monies	7,651	0	0	0	0	7,651
Total Nonspendable	58,127	0	0	0	17,330	75,457
Restricted for:						
Capital Projects	0	27,690,097	7,278,066	355,625	1,255,210	36,578,998
Debt Service	0	0	0	0	122	122
Food Service Operations	0	0	0	0	543,965	543,965
Student Activities	0	0	0	0	103,615	103,615
Athletics and Music	0	0	0	0	183,291	183,291
Local Grants	0	0	0	0	5,013	5,013
State Grants	0	0	0	0	15,955	15,955
Total Restricted	0	27,690,097	7,278,066	355,625	2,107,171	37,430,959
Committed to:						
Purchases on Order:						
Student Instruction	231	0	0	0	0	231
Support Services	112,323	0	0	0	0	112,323
Community Services	176	0	0	0	0	176
Background Checks	0	0	0	0	6,959	6,959
Total Committed	112,730	0	0	0	6,959	119,689
Assigned to:						
Uniform School Supplies	190,631	0	0	0	0	190,631
Public School Support	103,914	0	0	0	0	103,914
Total Assigned	294,545	0	0	0	0	294,545
Unassigned (Deficit)	37,889,558	0	0	0	(505,665)	37,383,893
Total Fund Balances	$38,354,960	$27,690,097	$7,278,066	$355,625	$1,625,795	$75,304,543

Note 7 – 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 held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other 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 previously provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

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

7. The State Treasurer's investment pool (STAR Ohio); and

8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim monies available for investment at the time of purchase.

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

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

Deposits

Custodial Credit Risk 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 possession of an outside party. At fiscal year-end, $206,884 of the School District's total bank balance of $5,446,144 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the School District's financial institutions participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

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, 2023, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Amortized Cost:				
Commercial Paper	$6,305,696	Less Than One Year	N/A	8.69 %
Net Asset Value Per Share:				
STAR Ohio	1,778,101	Less Than One Year	AAAm	N/A
Fair Value - Level 1 Input:				
Money Market Accounts	5,033,738	Less Than One Year	AAAm	6.94
Fair Value - Level 2 Input:				
Municipal Bonds	965,887	Less Than Three Years	AAA / N/A	N/A
Federal Agricultural Mortgage Corporation Bonds	443,536	Less Than Four Years	N/A	N/A
Federal Farm Credit Bank Bonds	8,127,070	Less Than Five Years	AA+	11.20
Federal Home Loan Bank Bonds	22,483,817	Less Than Four Years	AA+	30.98
Federal Home Loan Mortgage Corporation Bonds	1,211,993	Less Than Three Years	AA+	N/A
Federal National Mortgage Association Bonds	1,825,847	Less Than Three Years	AA+	N/A
United States Treasury Bills	1,150,188	Less Than One Year	N/A	N/A
United States Treasury Notes	19,296,443	Less Than Five Years	N/A	26.59
Negotiable Certificates of Deposit	3,947,335	Less Than Five Years	N/A	5.44
Total Investments	$72,569,651			

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 preceding chart identifies the School District's recurring fair value measurements as of June 30, 2023. The money market accounts are measured at fair value and are valued using quoted market prices (Level 1 inputs). The School District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

Interest Rate Risk As a means of limiting its exposure to fair value losses arising from rising interest rates, and according to State law, the School District's investment policy limits investment portfolio maturities to five years or less. 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 investment must be purchased with the expectation that it will be held to maturity. Repurchase agreements shall not exceed thirty days.

Credit Risk The School District's investment policy requires certain credit ratings for some investments as allowed by State law. The School District's investments are rated as shown in the preceding table. The commercial paper, federal agricultural mortgage corporation bonds, United States treasury bills, United States treasury notes, negotiable certificates of deposit, and some of the municipal bonds are not rated by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Concentration of Credit Risk The School District places no limit on the amount it may invest in any one issuer.

Note 8 – Income Tax

The School District levies a voted tax of 1.25 percent for general operations of the earned income of residents. The first 0.5 percent tax was effective during fiscal year 2007, and the second 0.75 percent tax was passed on May 6, 2014. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund.

Note 9 – Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2023 represents collections of calendar year 2022 taxes. Public utility real property taxes received in calendar year 2023 became a lien December 31, 2021, were levied after April 1, 2022, and are collected in calendar year 2023 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Medina County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 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, 2023, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2023, was $1,846,180 in the general fund and $78,380 in the permanent improvement fund. The amount available as an advance at June 30, 2022, was $984,230 in the general fund and $48,200 in the permanent improvement fund. The difference was in the timing and collection by the County Auditor.

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

The assessed values upon which the fiscal year 2023 taxes were collected are:

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	$605,783,110	87.68%	$766,094,730	84.31%
Public Utility Personal Property	85,084,320	12.32%	142,588,020	15.69%
Total	$690,867,430	100.00%	$908,682,750	100.00%
Tax rate per $1,000 of Assessed Valuation	$55.80		$54.45	

The tax rate decreased due to the emergency levies decreasing to keep collection amounts consistent from the increase in assessed valuation.

Note 10 – Tax Abatements

For fiscal year 2023, the School District's property taxes were reduced under community reinvestment area (CRA) agreements entered into by the Village of Seville. The amount of fiscal year 2023 taxes abated was $92,772.

Note 11 – Receivables

Receivables at June 30, 2023, consisted of accrued interest, taxes, accounts (miscellaneous), intergovernmental grants and disbursements and interfund. The School District receives a portion of a 0.5 percent sales tax levied by the County. The sales tax is allocated to the public schools based on a student count and is recorded as an intergovernmental revenue. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Intergovernmental Receivable	Amounts
Governmental Funds:	
County Levied Sales Tax	$1,057,304
Foundation Settlement	347,840
Education Connectivity Grant	160,575
American Rescue Plan Elementary and Secondary School Emergency Relief Funding	134,349
IDEA-B Grant	104,694
E-Rate Funding	94,434
Title I-A Grant	76,091
American Rescue Plan IDEA Part B Grant	15,347
Title II-A Grant	15,292
Preschool Excess Cost	9,329
Ohio School Plan Cyber Grant	5,979
Public School Connectivity Grant	2,838
Bureau of Workers' Compensation Refund	840
Total Governmental Funds	$2,024,912

Payments in Lieu of Taxes

The School District is party to Tax Increment Financing (TIF) agreements. Municipalities, townships and counties can enter into TIF agreements, which lock in real property at its unimproved value for up to 30 years in a defined TIF district. Some TIF agreements also require the TIF government to allocate service payments to school districts and other governments to help offset the property taxes these governments would have received had the improvements to real property not been exempted. The service payments that the School District receives as part of the TIF agreements are presented on the financial statements as Payments in Lieu of Taxes.

Note 12 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Restated Balance 7/1/22	Additions	Deletions	Balance 6/30/23
Governmental Activities				
Nondepreciable/Amortized Capital Assets				
Land	$593,900	$0	$0	$593,900
Construction in Progress	9,527,531	27,667,052	(3,043,036)	34,151,547
Total Nondepreciable/Amortized Capital Assets	10,121,431	27,667,052	(3,043,036)	34,745,447
Depreciable/Amortized Capital Assets				
Tangible Assets				
Land Improvements	2,343,829	0	0	2,343,829
Buildings and Improvements	45,421,156	3,043,036	0	48,464,192
Furniture and Equipment	3,913,143	132,339	0	4,045,482
Vehicles	3,413,782	544,874	(382,680)	3,575,976
Total Tangible Assets	55,091,910	3,720,249	(382,680)	58,429,479
Intangible Right to Use Subscription Assets				
Software	50,250	170,822	0	221,072
Total Depreciable/Amortized Capital Assets	55,142,160	3,891,071	(382,680)	58,650,551
Less Accumulated Depreciation/Amortization				
Depreciation				
Land Improvements	(1,886,471)	(33,540)	0	(1,920,011)
Buildings and Improvements	(14,632,949)	(856,368)	0	(15,489,317)
Furniture and Equipment	(2,000,238)	(216,846)	0	(2,217,084)
Vehicles	(1,934,858)	(223,041)	344,412	(1,813,487)
Total Depreciation	(20,454,516)	(1,329,795)	344,412	(21,439,899)
Amortization				
Intangible Right to Use Subscription Assets				
Software	0	(47,425)	0	(47,425)
Total Accumulated Depreciation/Amortization	(20,454,516)	(1,377,220) *	344,412	(21,487,324)
Total Depreciable/Amortized Capital Assets, Net	34,687,644	2,513,851	(38,268)	37,163,227
Total Governmental Activities Capital Assets, Net	$44,809,075	$30,180,903	($3,081,304)	$71,908,674

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

Function	Depreciation	Amortization	Total
Instruction:			
Regular	$730,751	$40,321	$771,072
Special	1,392	2,195	3,587
Vocational	407	0	407
Support Services:			
Instructional Staff	8,778	4,909	13,687
Administration	2,842	0	2,842
Fiscal	1,002	0	1,002
Operation and Maintenance of Plant	41,633	0	41,633
Pupil Transportation	243,509	0	243,509
Central	410	0	410
Food Service Operations	20,017	0	20,017
Community Services	125,080	0	125,080
Extracurricular Activities	153,974	0	153,974
Total Depreciation/Amortization Expense	$1,329,795	$47,425	$1,377,220

The School District received subscription assets valued at $18,360. The School District has recorded these as capital contributions.

Note 13 – Long-Term Obligations

The original issue date, interest rate, original issue amount and date of maturity of each of the School District's long-term obligations is as follows:

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
Certificates of Participation:			
2020A Refunding Certificates of Participation	0.739% - 2.943%	$26,510,000	March 1, 2038
2020B Certificates of Participation	1.10 - 4.00	1,500,000	March 1, 2035
2021 Certificates of Participation	2.375 - 4.00	36,800,000	December 1, 2050
2022 Certificates of Participation	5.125 - 6.00	21,000,000	December 1, 2052

The changes in the School District's long-term obligations during the year consist of the following:

	Principal Outstanding 7/1/22	Additions	Reductions	Principal Outstanding 6/30/23	Amount Due in One Year
Certificates of Participation:					
2020A Refunding Certificates of Participation:					
Serial Certificates	$18,215,000	$0	($885,000)	$17,330,000	$965,000
Term Certificates	7,455,000	0	0	7,455,000	0
2020B Certificates of Participation:					
Serial Certificates	265,000	0	(85,000)	180,000	90,000
Term Certificates	1,045,000	0	0	1,045,000	0
Premium	28,220	0	(1,801)	26,419	0
2021 Certificates of Participation:					
Serial Certificates	22,335,000	0	(2,485,000)	19,850,000	2,175,000
Term Certificates	11,900,000	0	0	11,900,000	0
Premium	2,917,368	0	(100,599)	2,816,769	0
2022 Certificates of Participation:					
Serial Certificates	0	1,095,000	0	1,095,000	250,000
Term Certificates	0	19,905,000	0	19,905,000	0
Premium	0	515,536	0	515,536	0
Total Certificates of Participation	64,160,588	21,515,536	(3,557,400)	82,118,724	3,480,000
Other Long-Term Obligations:					
Net Pension Liability:					
SERS	4,833,110	2,365,687	0	7,198,797	0
STRS	14,235,690	10,218,780	0	24,454,470	0
Total Net Pension Liability	19,068,800	12,584,467	0	31,653,267	0
Net OPEB Liability - SERS	2,559,475	0	(644,164)	1,915,311	0
Subscriptions Payable	0	152,462	(142,320)	10,142	5,016
Compensated Absences	3,003,153	509,582	(328,227)	3,184,508	357,730
Total Other Long-Term Obligations	24,631,428	13,246,511	(1,114,711)	36,763,228	362,746
Total Governmental Activities Long-Term Liabilities	$88,792,016	$34,762,047	($4,672,111)	$118,881,952	$3,842,746

On October 15, 2020, the School District issued $26,510,000 in refunding certificates of participation (COPs) for the purpose of refunding the majority of the 2014 refunding COPs and the remaining 2017 refunding COPs, which included $19,055,000 in serial COPs and $7,455,000 in term COPs. The COPs were issued for an 18-year period with final maturity in fiscal year 2038. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Ohio School Building Leasing Corporation, and then subleased back to the School District. The COPs were issued through a series of annual leases with an initial lease term of 5 years, which includes the right to renew for 18 successive one-year terms through fiscal year 2038 subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component of 0.739 to 2.943 percent. The School District has the option to purchase the renovations on any lease payment date by paying the amount necessary to defease the indenture.

Optional Redemption The COPs maturing after March 1, 2031, are subject to prior redemption, by and at the sole option of the School District, in whole or in part as selected by the School District, on any date on and after March 1, 2030, at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption The term COPs maturing on March 1, 2038, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on March 1 in the years and in the respective principal amounts as follows:

	Issue
Year	$7,455,000
2036	$2,280,000
2037	2,485,000
Total mandatory sinking fund payment	4,765,000
Amount due at stated maturity	2,690,000
Total	$7,455,000
Stated Maturity	3/1/2038

Net proceeds of $26,055,942 were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded COPs. As a result, $24,810,000 of these COPs was considered defeased and the liability for the refunded COPs has been removed from the School District's financial statements. As of June 30, 2023, $23,605,000 of the defeased COPs remain outstanding.

On October 15, 2020, the School District issued $1,500,000 in certificates of participation (COPs) for the purpose of constructing, enlarging, furnishing, and equipping the School District's outdoor athletic facilities, which included $455,000 in serial COPs and $1,045,000 in term COPs. The COPs were issued for a 15-year period with final maturity in fiscal year 2035. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be "qualified tax exempt obligations" within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Ohio School Building Leasing Corporation, and then subleased back to the School District. The COPs were issued through a series of annual leases with an initial lease term of 5 years, which includes the right to renew for 15 successive one-year terms through fiscal year 2035 subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component of 1.10 to 4.00 percent. The School District has the option to purchase the renovations on any lease payment date by paying the amount necessary to defease the indenture.

Optional Redemption The COPs maturing after March 1, 2031, are subject to prior redemption, by and at the sole option of the School District, in whole or in part as selected by the School District, on any date on and after March 1, 2030, at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption The term COPs maturing on March 1, 2028, March 1, 2031, and March 1, 2035, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on March 1 in the years and in the respective principal amounts as follows:

	Issue		
Year	$300,000	$305,000	$440,000
2026	$100,000	$0	$0
2027	100,000	0	0
2029	0	100,000	0
2030	0	100,000	0
2032	0	0	105,000
2033	0	0	110,000
2034	0	0	110,000
Total mandatory sinking fund payment	200,000	200,000	325,000
Amount due at stated maturity	100,000	105,000	115,000
Total	$300,000	$305,000	$440,000
Stated Maturity	3/1/2028	3/1/2031	3/1/2035

On April 13, 2021, the School District issued $36,800,000 in certificates of participation (COPs) for the purpose of constructing, enlarging, furnishing, and equipping the School District's high school facilities, which included $24,900,000 in serial COPs and $11,900,000 in term COPs. The COPs were issued for a 30-year period with final maturity in fiscal year 2051. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be "qualified tax exempt obligations" within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Ohio School Building Leasing Corporation, and then subleased back to the School District. The COPs were issued through a series of annual leases with an initial lease term of 5 years, which includes the right to renew for 30 successive one-year terms through fiscal year 2051 subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component of 2.375 to 4.00 percent. The School District has the option to purchase the renovations on any lease payment date by paying the amount necessary to defease the indenture. At June 30, 2023, $11,807,070 of the COPs proceeds were unspent (before related contracts, intergovernmental, and retainage payables of $1,663,919, $125, and $669,209, respectively).

Optional Redemption The COPs maturing on or after December 1, 2031, including by mandatory redemption, are subject to prior redemption, by and at the sole option of the School District, in whole or in part as selected by the School District, on any date on and after December 1, 2030, at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date; provided, however, that no subordinate certificates may be redeemed except with the proceeds of a series of additional certificates and/or fund received as a result of State reimbursement in connection with the construction project.

Mandatory Sinking Fund Redemption The term COPs maturing on December 1, 2038, December 1, 2040, December 1, 2045, and December 1, 2050, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on March 1 in the years and in the respective principal amounts as follows:

	Issue			
Year	$2,395,000	$2,200,000	$4,485,000	$2,820,000
2037	$1,220,000	$0	$0	$0
2039	0	1,125,000	0	0
2041	0	0	1,020,000	0
2042	0	0	960,000	0
2043	0	0	900,000	0
2044	0	0	835,000	0
2046	0	0	0	700,000
2047	0	0	0	635,000
2048	0	0	0	565,000
2049	0	0	0	495,000
Total mandatory sinking fund payment	1,220,000	1,125,000	3,715,000	2,395,000
Amount due at stated maturity	1,175,000	1,075,000	770,000	425,000
Total	$2,395,000	$2,200,000	$4,485,000	$2,820,000
Stated Maturity	12/1/2038	12/1/2040	12/1/2045	12/1/2050

On December 1, 2022, the School District issued $21,000,000 in certificates of participation (COPs), which included $1,095,000 in serial COPs and $19,905,000 in term COPs, for the purpose of constructing, enlarging, furnishing, and equipping the School District's middle school facilities, and may also include improvements to athletic facilities and board offices. The COPs were issued for a 30-year period with final maturity in fiscal year 2053. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be "qualified tax exempt obligations" within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Ohio School Building Leasing Corporation, and then subleased back to the School District. The COPs were issued through a series of annual leases with an initial lease term of 5 years, which includes the right to renew for 30 successive one-year terms through fiscal year 2053 subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component of 5.125 to 6.00 percent. The School District has the option to purchase the renovations on any lease payment date by paying the amount necessary to defease the indenture. At June 30, 2023, $18,648,287 of the COPs proceeds were unspent (before related accounts, contracts, and retainage payables of $4,299, $926,493, and $46,924, respectively).

Optional Redemption The COPs maturing on or after December 1, 2029, including by mandatory redemption, are subject to prior redemption, by and at the sole option of the School District, in whole or in part as selected by the School District, on any date on and after December 1, 2028, at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date; provided, however, that no subordinate certificates may be redeemed except with the proceeds of a series of additional certificates and/or fund received as a result of State reimbursement in connection with the construction project.

Mandatory Sinking Fund Redemption The term COPs maturing on December 1, 2035, December 1, 2037, December 1, 2039, December 1, 2042, December 1, 2047, and December 1, 2052, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

	Issue					
Year	$1,260,000	$1,750,000	$1,780,000	$2,755,000	$4,890,000	$7,470,000
2029	$120,000	$0	$0	$0	$0	$0
2030	100,000	0	0	0	0	$0
2031	50,000	0	0	0	0	0
2032	50,000	0	0	0	0	0
2033	50,000	0	0	0	0	0
2034	30,000	0	0	0	0	0
2036	0	865,000	0	0	0	0
2038	0	0	885,000	0	0	0
2040	0	0	0	905,000	0	0
2041	0	0	0	920,000	0	0
2043	0	0	0	0	940,000	0
2044	0	0	0	0	960,000	0
2045	0	0	0	0	975,000	0
2046	0	0	0	0	1,000,000	0
2048	0	0	0	0	0	1,035,000
2049	0	0	0	0	0	1,050,000
2050	0	0	0	0	0	1,060,000
2051	0	0	0	0	0	2,110,000
Total mandatory sinking fund payment	400,000	865,000	885,000	1,825,000	3,875,000	5,255,000
Amount due at stated maturity	860,000	885,000	895,000	930,000	1,015,000	2,215,000
Total	$1,260,000	$1,750,000	$1,780,000	$2,755,000	$4,890,000	$7,470,000
Stated Maturity	12/1/2035	12/1/2037	12/1/2039	12/1/2042	12/1/2047	12/1/2052

The COPs will be paid from the capital projects fund and capital grants fund. There is no repayment schedule for the net pension/OPEB liabilities; however, employer pension/OPEB contributions are made from the general fund and the food service, athletics and music, and elementary and secondary school emergency relief special revenue funds. For additional information related to the net pension and net OPEB liabilities, see Notes 22 and 23. The compensated absences liability will be paid from the general fund and the food service and elementary and secondary school emergency relief special revenue funds.

The School District's overall debt margin was $81,781,570 with an unvoted debt margin of $908,683 at June 30, 2023. Principal and interest requirements to retire outstanding long-term obligations at June 30, 2023, are as follows:

	Certificates of Participation			
	Serial		Term	
Fiscal Year	Principal	Interest	Principal	Interest
2024	$3,480,000	$2,679,114	$0	$0
2025	2,765,000	2,597,802	0	0
2026	2,750,000	2,508,594	100,000	18,750
2027	2,805,000	2,432,105	100,000	17,650
2028	2,740,000	2,347,139	100,000	16,550
2029-2033	14,535,000	6,197,964	840,000	4,307,432
2034-2038	9,380,000	2,169,106	11,590,000	5,806,836
2039-2043	0	0	9,890,000	4,933,949
2044-2048	0	0	8,730,000	3,032,516
2049-2053	0	0	8,955,000	1,184,557
Total	$38,455,000	$20,931,824	$40,305,000	$19,318,240

The School District has outstanding contracts to use a SBITA vendor's IT software, including courseware/digital curriculum and other software. The future subscription payments were discounted based on the interest rate implicit in the subscription or using the School District's incremental borrowing rate. This discount is being amortized using the interest method over the life of the subscription. These subscriptions were paid from the general fund and the elementary and secondary school emergency relief special revenue fund in fiscal year 2023, and the remaining subscriptions will be paid from the general fund. A summary of the principal and interest amounts for the remaining subscriptions are as follows:

	Subscriptions	
Year	Principal	Interest
2024	$5,016	$222
2025	5,126	112
	$10,142	$334

The School District has also committed to additional subscriptions for various software. These will be recorded on the School District's financial statements in fiscal year 2024 upon commencement of the subscription terms.

Note 14 – Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Twelve month classified employees can earn up to twenty-five days of vacation per year but cannot accumulate more than forty days. Twelve-month administrators earn twenty days of vacation per year. Only twenty days of vacation can be carried over to the next year. Accumulated unused vacation time is paid to twelve month classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated with no maximums for certified staff, classified staff, and administrators**.** Upon retirement, the School District will issue payment for up to a maximum as identified within the negotiated agreements. Classified employees with the School District receive payment for up to a maximum of eighty-five days computed according to negotiated agreements.

Administrators earn sick leave at the rate of one and one-fourth days per month. Upon termination, administrators will receive thirty percent of all accumulated sick leave and unused personal days up to three hundred days at the time of retirement. An employee receiving such payment must meet the retirement provisions set by STRS Ohio or SERS.

Employees may earn up to a maximum of three days of personal leave per year. Personal leave may not be accumulated. Unused personal leave becomes sick leave at the conclusion of the contract year.

Health Insurance Benefits

The School District has contracted with Stark County Schools Council of Governments to provide medical/surgical, dental, life insurance and accidental death and dismemberment insurance for its employees and their covered dependents. The Stark County Schools Council of Governments is a shared risk pool composed of over 170 members. The school districts pay monthly contributions that are placed in a common fund from which eligible claims and expenses are paid for employees of participating school districts and their covered dependents. Claims are paid for all participants regardless of claims flow.

Premium contributions are determined annually based on the claims experience of the individual school district. Premiums can be increased or decreased by up to 20 percent of the prior year's contribution. Member school districts may become liable for additional contributions to fund the liability of the pool. In the event of termination, all participating Districts' claims would be paid without regard to their individual account balances. The Stark County Schools Council of Governments' Board of Directors has authority to return monies to an existing school district subsequent to the settlement of all claims and expenses.

Note 15 – Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2023, the School District contracted with Hylant Administrative Services, LLC through the Ohio School Plan as follows:

Type of Coverage	Coverage Amount
Property	$101,998,457
Accounts Receivable	$100,000
Business Interruption	250,000
Flood and Earthquake	2,000,000
Extra Expenses	1,000,000
Employee Theft	100,000
Forgery	100,000
Computer Fraud	100,000
Funds Transfer Fraud	100,000
Theft of Monies	50,000
Social Engineering Fraud	25,000
General Liability	6,000,000
Employers Liability	6,000,000
Fiduciary Liability	6,000,000
Educational Legal Liability	6,000,000
Fleet	6,000,000
Violence Coverage	1,000,000

Settled claims have not exceeded this commercial coverage in any of the last three years and there have been no significant reductions in insurance coverage from last year.

Workers' Compensation

During fiscal year 2023, the School District was a member of the Comp Management Workers' Compensation Group Rating Program established in April of 1991. The program was created by the Ohio School Boards Association as a result of the Workers' Compensation group rating plan as defined in Section 4123.29 of the Ohio Revised Code. The group rating program allows school districts to group together to potentially achieve a lower premium rate than they might otherwise be able to acquire as individual employers.

Note 16 – Contingencies

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds; however, in the opinion of management, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2023, if applicable, cannot be determined at this time.

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2023 have been finalized. A receivable and payable have been recorded on the financial statements.

Litigation

The Cloverleaf Local School District is not party to legal proceedings.

Note 17 – Jointly Governed Organizations

Northeast Ohio Network for Educational Technology

The Northeast Ohio Network for Educational Technology (NEOnet) is the computer service organization or Data Acquisition Site (DAS) used by the School District. NEOnet is a jointly governed organization among twenty-seven school districts. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The Board of Directors consists of member district superintendents and treasurers. The manager/director is a permanent, non-voting member of the board of directors. Each school district's control is limited to its representation on the board. The Board of Directors exercise total control over the operations of the association including budgeting, appropriating, contracting and designating management. All association revenues are generated from charges for services and State funding. The School District does not retain an ongoing financial interest or an ongoing financial responsibility in NEOnet. Payments to NEOnet are made from the general fund. In fiscal year 2023, the School District paid $98,578 to NEOnet. Financial information can be obtained by writing to the NEOnet, 700 Graham Road, Cuyahoga Falls, Ohio 44221.

Medina County Career Center

The Medina County Career Center (Center) is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each participating School District's elected board, which possesses its own budgeting and taxing authority. The Center's Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Board. Accordingly, the Center is not part of the School District, and its operations are not included as part of the reporting entity. The Center offers vocational education for several school districts including Cloverleaf Local School District. Financial information can be obtained by contacting the Treasurer, Aaron Butts, at the Medina County Career Center, 1101 West Liberty Street, Medina, Ohio 44256.

Ohio Schools Council

The Ohio Schools Council (Council) is a jointly governed organization among 260 members. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Council's Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Board. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2023, the School District paid $4,222 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

Note 18 – Public Entity Risk Pools

Stark County Schools Council of Governments

The Stark County Schools Council of Governments (Council) is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly elects officers for one-year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Council. All Council revenues are generated from charges for services. The Council has a Health Benefits Program which is a shared risk pool comprised of over 170 entities, most of which are school districts.

Comp Management Workers' Compensation Group Rating Program

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

Ohio School Plan

The Ohio School Plan (Plan) is a shared liability, property and fleet insurance risk pool which is governed by a board of thirteen school superintendents, business managers and treasurers. OSBA, BASA and OASBO executive directors serve as ex-officio members. Approximately 305 educational entities are members of the Plan. The Plan's board elects officers for two-year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Plan. All Plan revenues are generated from charges for services. For more information write to the Ohio School Plan, Hylant Administrative Services, 811 Madison Avenue, Toledo, Ohio 43604.

Note 19 – Set-Asides

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 year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future years.

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

	Capital Improvement
Set-aside Balance as of June 30, 2022	$0
Current Year Set-aside Requirement	516,070
Offsets	(895,534)
Totals	($379,464)
Set-aside Balance Carried Forward to Future Fiscal Years	$0
Set-aside Balance as of June 30, 2023	$0

Although the School District had offsets during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement for future years. This negative balance is therefore not presented as being carried forward to future years.

Note 20 – Interfund Transactions

Interfund Balances

Interfund balances at June 30, 2023, consisted of the following:

Interfund Payable	Interfund Receivable General
Special Revenue Funds:	
Athletics and Music	$29
Elementary and Secondary School Emergency Relief	63,132
Title VI-B	44,673
Title I	27,282
Reducing Class Size	5,097
Miscellaneous Federal Grants	350
Total Special Revenue Funds	140,563
Capital Projects Fund:	
Permanent Improvement	837,226
Total	$977,789

The interfund payables in the special revenue funds and permanent improvement capital projects fund are due to the timing of the receipt of grant monies received and to pay off debt, respectively. All balances are expected to be paid next fiscal year.

Interfund Transfers

The School District had the following transfers during fiscal year 2023:

	Transfers From		
Transfers To	General	Other Governmental Funds	Total
Capital Projects	$5,574,821	$0	$5,574,821
Capital Grants	0	16,520	16,520
Other Governmental Funds	116,791	0	116,791
Total	$5,691,612	$16,520	$5,708,132

The transfer from the general fund to the capital projects fund was to help pay for debt obligations. The transfers to other governmental funds were to help operate lunchroom and student activities. The transfer from other governmental funds to the capital grants fund was to help pay for permanent improvements projects.

Note 21 – Significant Commitments

Encumbrances

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

General	$162,945
Building	30,698,538
Capital Projects	7,371,084
Other Governmental Funds	303,347
Total	$38,535,914

Contractual Commitments

At June 30, 2023, the various projects within the School District had contractual commitments consisting of the following:

Project	Contract Amount	Amount Paid	Remaining on Contract
High School Building Construction	$44,717,276	$27,792,094	$16,925,182
Middle School Building Construction	19,001,702	1,848,159	17,153,543
Total	$63,718,978	$29,640,253	$34,078,725

The amounts remaining on these contracts were encumbered at year end. The amounts of $6,949, $2,677,047, $187, and $716,134 in accounts payable, contracts payable, intergovernmental payable, and retainage payable, respectively, have been capitalized.

Note 22 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also include 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 health care to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 23 for the required OPEB disclosures.

School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	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 30 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 2.5 percent COLA for calendar year 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was $736,589 for fiscal year 2023. Of this amount, $71,468 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 East Broad Street, Columbus, Ohio 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 upon a determination by its actuary that it was necessary 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. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be 5 years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be 5 years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

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

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2023 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2023, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was $2,121,821 for fiscal year 2023. Of this amount, $321,704 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, 2022, 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:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.13309470%	0.11000599%	
Prior Measurement Date	0.13098890%	0.11133900%	
Change in Proportionate Share	0.00210580%	-0.00133301%	
Proportionate Share of the Net Pension Liability	$7,198,797	$24,454,470	$31,653,267
Pension Expense	$418,625	$3,044,660	$3,463,285

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$291,557	$313,049	$604,606
Changes of assumptions	71,032	2,926,466	2,997,498
Net difference between projected and actual earnings on pension plan investments	0	850,962	850,962
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	118,187	517,931	636,118
School District contributions subsequent to the measurement date	736,589	2,121,821	2,858,410
Total Deferred Outflows of Resources	$1,217,365	$6,730,229	$7,947,594
Deferred Inflows of Resources			
Differences between expected and actual experience	$47,258	$93,546	$140,804
Changes of assumptions	0	2,202,787	2,202,787
Net difference between projected and actual earnings on pension plan investments	251,205	0	251,205
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	0	306,341	306,341
Total Deferred Inflows of Resources	$298,463	$2,602,674	$2,901,137

$2,858,410 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$110,299	$192,039	$302,338
2025	13,403	(44,485)	(31,082)
2026	(358,852)	(621,902)	(980,754)
2027	417,463	2,480,082	2,897,545
Total	$182,313	$2,005,734	$2,188,047

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, 2022, are presented as follows:

	June 30, 2022
Inflation	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates 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. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

Discount Rate The total pension liability for 2022 was calculated using the discount rate of 7.00 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 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	$10,596,285	$7,198,797	$4,336,459

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation are presented as follows:

	June 30, 2022
Inflation	2.50 percent
Salary Increases	From 2.5 percent to 12.5 percent based on age
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost of Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

For 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For 2021, post-retirement mortality rates are based on 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, 2022, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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	26.00%	6.60%
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00%	

* Target allocation percentage is effective July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.
** 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, and are net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. 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, 2022.

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	$36,941,802	$24,454,470	$13,894,054

Note 23 – Defined Benefit OPEB Plans

See Note 22 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 health care 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. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, 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 2023, 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 2023, the School District's surcharge obligation was $100,895.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was $100,895 for fiscal year 2023, which is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to postemployment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2022, 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:

	SERS	STRS	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.13641710%	0.11000599%	
Prior Measurement Date	0.13523710%	0.11133900%	
Change in Proportionate Share	0.00118000%	-0.00133301%	
Proportionate Share of the:			
Net OPEB Liability	$1,915,311	$0	$1,915,311
Net OPEB (Asset)	$0	($2,848,421)	($2,848,421)
OPEB Expense	($125,655)	($497,539)	($623,194)

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$16,101	$41,292	$57,393
Changes of assumptions	304,655	121,334	425,989
Net difference between projected and actual earnings on OPEB plan investments	9,955	49,584	59,539
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	95,256	36,705	131,961
School District contributions subsequent to the measurement date	100,895	0	100,895
Total Deferred Outflows of Resources	$526,862	$248,915	$775,777
Deferred Inflows of Resources			
Differences between expected and actual experience	$1,225,174	$427,778	$1,652,952
Changes of assumptions	786,249	2,019,805	2,806,054
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	132,128	99	132,227
Total Deferred Inflows of Resources	$2,143,551	$2,447,682	$4,591,233

$100,895 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 an increase to the net OPEB asset in the fiscal year ending June 30, 2024. 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:			
2024	($380,029)	($637,545)	($1,017,574)
2025	(401,425)	(628,999)	(1,030,424)
2026	(356,812)	(302,591)	(659,403)
2027	(215,708)	(126,764)	(342,472)
2028	(139,945)	(166,011)	(305,956)
Thereafter	(223,665)	(336,857)	(560,522)
Total	($1,717,584)	($2,198,767)	($3,916,351)

Actuarial Assumptions – SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2022, are presented as follows:

	June 30, 2022
Inflation	2.40 percent
Future Salary Increases, including inflation	
Wage Increases	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Fiduciary Net Position is Projected to be Depleted	2044
Municipal Bond Index Rate:	
Measurement Date	3.69 percent
Prior Measurement Date	1.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Measurement Date	4.08 percent
Prior Measurement Date	2.27 percent
Health Care Cost Trend Rate:	
Medicare	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent
Medical Trend Assumption	7.00 to 4.40 percent

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 were based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

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 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 22.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08 percent. The discount rate used to measure total OPEB liability prior to June 30, 2021, was 2.27 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, 2022, 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 3.69 percent at June 30, 2022, and 1.92 percent at June 30, 2021.

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 and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.08 percent) and higher (5.08 percent) than the current discount rate (4.08 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (6.00 percent decreasing to 3.40 percent) and higher (8.00 percent decreasing to 5.40 percent) than the current rate.

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
School District's proportionate share of the net OPEB liability	$2,378,844	$1,915,311	$1,541,112

	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	$1,477,048	$1,915,311	$2,487,752

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation and the June 30, 2021, actuarial valuation are presented as follows:

	June 30, 2022	June 30, 2021
Projected Salary Increases	Varies by service from 2.5 percent to 8.5 percent	Varies by age from 2.5 percent to 12.50 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends:		
Medical:		
Pre-Medicare	7.50 percent initial 3.94 percent ultimate	5.00 percent initial 4 percent ultimate
Medicare	-68.78 percent initial 3.94 percent ultimate	-16.18 percent initial 4 percent ultimate
Prescription Drug:		
Pre-Medicare	9.00 percent initial 3.94 percent ultimate	6.50 percent initial 4 percent ultimate
Medicare	-5.47 percent initial 3.94 percent ultimate	29.98 percent initial 4 percent ultimate

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

For 2022, healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For 2021, 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, 2022, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 22.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed 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, 2022. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

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, 2022, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB (asset)	($2,633,290)	($2,848,421)	($3,032,699)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB (asset)	($2,954,506)	($2,848,421)	($2,714,516)

Note 24 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During fiscal year 2023, the School District received COVID-19 funding. The School District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Note 25 – Subsequent Events

On November 7, 2023, the School District renewed its combination levy consisting of an earned income tax and fixed sum levy. Furthermore, the School District committed to reducing the fixed sum portion of the levy by 0.45 mills if the levy passed. As a result, the community will see a reduction in property taxes effective for tax year 2023, to be collected in 2024 through the life of the levy.

Required Supplementary Information

Cloverleaf Local School District

Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
*Last Ten Fiscal Years **

	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.13309470%	0.13098890%	0.12804360%
School District's Proportionate Share of the Net Pension Liability	$7,198,797	$4,833,110	$8,469,073
School District's Covered Payroll	$4,965,014	$4,534,471	$4,537,329
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	144.99%	106.59%	186.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015	2014
0.13259678%	0.14100880%	0.13029680%	0.13099830%	0.12603560%	0.12526200%	0.12526200%
$7,933,499	$8,075,836	$7,784,946	$9,587,867	$7,191,714	$6,339,439	$7,448,930
$4,610,200	$4,450,896	$4,230,441	$3,978,730	$3,802,210	$3,660,519	$3,630,007
172.09%	181.44%	184.02%	240.98%	189.15%	173.18%	205.20%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

Cloverleaf Local School District

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

	2023	2022	2021
School District's Proportion of the Net OPEB Liability	0.13641710%	0.13523710%	0.13322620%
School District's Proportionate Share of the Net OPEB Liability	$1,915,311	$2,559,475	$2,895,443
School District's Covered Payroll	$4,965,014	$4,534,471	$4,537,329
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	38.58%	56.44%	63.81%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%

(1) Although this schedule is intended to reflect information for ten years, information prior to fiscal year 2017 is not available. An additional column will be added each fiscal year.

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.13596920%	0.14257490%	0.13198140%	0.13269730%
$3,419,339	$3,955,413	$3,542,034	$3,782,364
$4,610,200	$4,450,896	$4,230,441	$3,978,730
74.17%	88.87%	83.73%	95.06%
15.57%	13.57%	12.46%	11.49%

Cloverleaf Local School District

Required Supplementary Information

Schedule of the School District's Proportionate Share of the Net Pension Liability

State Teachers Retirement System of Ohio

*Last Ten Fiscal Years **

	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.11000599%	0.11133900%	0.10768664%
School District's Proportionate Share of the Net Pension Liability	$24,454,470	$14,235,690	$26,056,335
School District's Covered Payroll	$14,363,171	$13,714,171	$13,214,457
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	170.26%	103.80%	197.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015	2014
0.10779168%	0.10511662%	0.10300980%	0.10282657%	0.10370300%	0.10366087%	0.10366087%
$23,837,482	$23,112,784	$24,470,198	$34,419,152	$28,660,476	$25,213,911	$30,034,646
$12,761,057	$11,912,207	$11,576,511	$11,506,500	$10,852,907	$12,028,185	$11,350,554
186.80%	194.03%	211.38%	299.13%	264.08%	209.62%	264.61%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

Cloverleaf Local School District

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

	2023	2022	2021
School District's Proportion of the Net OPEB Liability/Asset	0.11000599%	0.11133900%	0.10768664%
School District's Proportionate Share of the Net OPEB Liability (Asset)	($2,848,421)	($2,347,492)	($1,892,590)
School District's Covered Payroll	$14,363,171	$13,714,171	$13,214,457
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	(21.20%)	(18.20%)	(14.32%)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	230.70%	174.70%	182.10%

(1) Although this schedule is intended to reflect information for ten years, information prior to fiscal year 2017 is not available. An additional column will be added each fiscal year.

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.10779168%	0.10511662%	0.10300980%	0.10282657%
($1,785,289)	($1,689,117)	$4,019,063	$5,499,192
$12,761,057	$11,912,207	$11,576,511	$11,506,500
(13.99%)	(14.18%)	34.72%	47.79%
174.70%	176.00%	47.10%	37.30%

Cloverleaf Local School District

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

	2023	2022	2021	2020
Net Pension Liability:				
Contractually Required Contribution	$736,589	$695,102	$634,826	$635,226
Contributions in Relation to the Contractually Required Contribution	(736,589)	(695,102)	(634,826)	(635,226)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$5,261,350	$4,965,014	$4,534,471	$4,537,329
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability:				
Contractually Required Contribution (2)	$100,895	$90,758	$87,664	$87,269
Contributions in Relation to the Contractually Required Contribution	(100,895)	(90,758)	(87,664)	(87,269)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	1.92%	1.83%	1.93%	1.92%
Total Contributions as a Percentage of Covered Payroll (2)	15.92%	15.83%	15.93%	15.92%

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

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
$622,377	$600,871	$592,262	$557,022	$501,132	$507,348
(622,377)	(600,871)	(592,262)	(557,022)	(501,132)	(507,348)
$0	$0	$0	$0	$0	$0
$4,610,200	$4,450,896	$4,230,441	$3,978,730	$3,802,210	$3,660,519
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%
$106,434	$97,155	$70,824	$66,909	$97,232	$67,895
(106,434)	(97,155)	(70,824)	(66,909)	(97,232)	(67,895)
$0	$0	$0	$0	$0	$0
2.31%	2.18%	1.67%	1.68%	2.56%	1.85%
15.81%	15.68%	15.67%	15.68%	15.74%	15.71%

Cloverleaf Local School District

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

	2023	2022	2021	2020
Net Pension Liability:				
Contractually Required Contribution	$2,121,821	$2,010,844	$1,919,984	$1,850,024
Contributions in Relation to the Contractually Required Contribution	(2,121,821)	(2,010,844)	(1,919,984)	(1,850,024)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$15,155,864	$14,363,171	$13,714,171	$13,214,457
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability (Asset):				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
$1,786,548	$1,667,709	$1,620,712	$1,610,910	$1,519,407	$1,563,664
(1,786,548)	(1,667,709)	(1,620,712)	(1,610,910)	(1,519,407)	(1,563,664)
$0	$0	$0	$0	$0	$0
$12,761,057	$11,912,207	$11,576,511	$11,506,500	$10,852,907	$12,028,185
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%
$0	$0	$0	$0	$0	$120,282
0	0	0	0	0	(120,282)
$0	$0	$0	$0	$0	$0
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent. The COLA was suspended for 2018-2020. Prior to 2018, an assumption of 3 percent was used.

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

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

Beginning in 2022, amounts reported use mortality rates 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. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

Changes in Assumptions – STRS

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

	Fiscal Year 2022	Fiscal Years 2021-2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected Salary Increases	From 2.5 percent to 12.5 percent based on age	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent	3.5 percent
Cost of Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees were based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

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

Changes in Benefit Terms – STRS

For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

Net OPEB Liability (Asset)

Changes in Assumptions – SERS

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

	2022	2021 and Prior
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation

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

Municipal Bond Index Rate:	
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

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

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

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

For fiscal year 2023, the projected salary increases were changed from age based (2.5 percent to 12.50 percent) to service based (2.5 percent to 8.5 percent).

Changes in Benefit Terms – STRS

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 2020.

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019, and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020.

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

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

For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022, premium based on June 30, 2021, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2023, health care trends were updated to reflect emerging claims and recoveries experience.

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CLOVERLEAF LOCAL SCHOOL DISTRICT
MEDINA COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/ ***Pass Through Grantor /*** Program Title	Federal Assistance Listing Number	Receipts	Expenditures
U.S. FEDERAL COMMUNICATIONS COMMISSION			
Direct Program:			
COVID-19 - Emergency Connectivity Fund Program	32.009	$ 355,770	$ 963
Total U.S. Federal Communications Commission		**355,770**	**963**
U.S. DEPARTMENT OF TREASURY			
Passed Through the Ohio Facilities Construction Commission:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	275,000	-
Total U.S. Department of Treasury		**275,000**	**-**
U.S. DEPARTMENT OF EDUCATION			
Passed Through the Ohio Department of Education:			
Special Education Cluster:			
Special Education - Grants to States	84.027	381,714	418,713
		82,681	66,345
COVID-19 - Special Education - Grants to States	84.027X	30,311	37,984
		23,390	22,738
Total Special Education -Grants to States		518,096	545,780
Special Education - Preschool Grants	84.173	14,316	14,316
Total Special Education Cluster		532,412	560,096
Title I Grants to Local Educational Agencies	84.010	222,828	250,109
		53,210	43,108
		16,020	
Total Title I Grants to Local Educational Agencies		292,058	293,217
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	46,624	51,721
		16,947	13,558
Total Supporting Effective Instruction State Grants		63,571	65,279
Student Support and Academic Enrichment Program	84.424	22,871	22,871
COVID-19 - Education Stabilization Fund	84.425D	288,331	190,510
	84.425U	1,334,994	1,285,194
	84.425W	6,025	6,025
		384	384
		1,629,734	1,482,113
Total U.S. Department of Education		**2,540,646**	**2,423,576**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Ohio Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	118,608	118,608
National School Lunch Program	10.555	407,220	832,617
COVID-19 - National School Lunch Program		65,335	65,335
Non-Cash Assistance		88,903	88,903
Total National School Lunch Program		561,458	986,855
Total Child Nutrition Cluster		680,066	1,105,463
COVID-19 - State Pandemic Electronic Benefit Transfer Administrative Costs	10.649	628	628
Total U.S. Department of Agriculture		**680,694**	**1,106,091**
Totals		**$3,852,110**	**$3,530,630**

The accompanying notes are an integral part of this schedule.

CLOVERLEAF LOCAL SCHOOL DISTRICT
MEDINA COUNTY

NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A – BASIS OF PRESENTATION

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) includes the federal award activity of Cloverleaf Local School District (the District) under programs of the federal government for the year ended June 30, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE
KEITH FABER

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

Cloverleaf Local School District
Medina County
8525 Friendsville Road
Lodi, Ohio 44254

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cloverleaf Local School District, Medina County, Ohio (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 8, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

March 8, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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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

Cloverleaf Local School District
Medina County
8525 Friendsville Road
Lodi, Ohio 44254

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Cloverleaf Local School District's, Medina County, Ohio (the 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 Cloverleaf Local School District's major federal program for the year ended June 30, 2023. Cloverleaf Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Cloverleaf 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, 2023.

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 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 programs. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The 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 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 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 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 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 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 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.

Keith Faber
Auditor of State
Columbus, Ohio

March 8, 2024

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CLOVERLEAF LOCAL SCHOOL DISTRICT
MEDINA COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Education Stabilization Fund, AL 84.425D and AL 84.425U
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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Cloverleaf Local Schools

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Daryl Kubilus, Jr.
Superintendent

Adam Lewis
Director of Curriculum and Instruction

Jim Hudson
Treasurer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
June 30, 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	**Material Weakness – Financial Statement Errors** Various financial statement errors were identified.	Fully Corrected	

OHIO AUDITOR OF STATE
KEITH FABER

CLOVERLEAF LOCAL SCHOOL DISTRICT

MEDINA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/28/2024

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