GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT

FRANKLIN COUNTY, OHIO

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2022

Rea & associates

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OHIO AUDITOR OF STATE
KEITH FABER

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Board of Education
Gahanna-Jefferson Public School District
160 South Hamilton Road
Gahanna, Ohio 43230

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

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

Keith Faber
Auditor of State
Columbus, Ohio

May 01, 2023

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Gahanna-Jefferson Public School District
Franklin County, Ohio
June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Gahanna-Jefferson Public School District
Franklin County, Ohio
160 South Hamilton Road
Gahanna, OH 43230

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Gahanna-Jefferson Public School District, Franklin County, Ohio, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons 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 (*Government Auditing Standards*). 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 pension and other post-employment benefit schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations 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 GAAS. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
Gahanna, Ohio
February 27, 2023

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As management of the Gahanna-Jefferson Public School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $12.5 million.
- The District's total net position increased by $23.4 million in comparison with the prior fiscal year.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $316.7 million, a decrease of $17.7 million in comparison with the prior fiscal year.
- The District implemented GASB 87 during fiscal year 2022, which caused the District to recognize the intangible right-to-use capital assets that it leases to other entities along with an offsetting lease receivable as of July 1, 2021.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

These two statements report the District's net position and changes in them. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.
In the Statement of Net Position and the Statement of Activities, all of the District's activities are reported as governmental including instruction, support services, community services, non-instructional services and extracurricular activities.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and building fund, each of which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds. Proprietary funds use the accrual basis of accounting; the same as on the entity-wide statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various funds. The District uses an internal service fund to account for workers compensation and dental claims and premiums. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the governmental-wide financial statements.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.
Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's progress in funding its obligation to provide pension/OPEB benefits to its employees.

Government-Wide Financial Analysis

The table below provides a summary of the District's net position for 2022 and 2021:

Net Position
Governmental Activities

	2022	Restated 2021	Change
Current and Other Assets	$ 410,302,470	$ 418,925,960	$ (8,623,490)
Net OPEB Asset	8,421,886	6,960,325	1,461,561
Capital Assets, Net	99,955,531	83,163,634	16,791,897
Total Assets	518,679,887	509,049,919	9,629,968
Deferred Charge on Refunding	268,489	345,182	(76,693)
Pension	26,799,129	21,838,672	4,960,457
OPEB	2,426,471	2,613,335	(186,864)
Total Deferred Outflows of Resources	29,494,089	24,797,189	4,696,900
Current Liabilities	15,933,479	14,180,983	1,752,496
Long-term Liabilities:			
Due Within One Year	14,738,296	14,367,748	370,548
Due in More Than One Year:			
Net Pension Liability	62,568,430	116,091,936	(53,523,506)
Net OPEB Liability	5,883,903	6,600,175	(716,272)
Other Amounts	296,684,201	311,765,779	(15,081,578)
Total Liabilities	395,808,309	463,006,621	(67,198,312)
Leases	7,811,416	7,915,917	(104,501)
Property Taxes	66,424,855	58,075,775	8,349,080
Pension	51,897,401	2,962,982	48,934,419
OPEB	13,692,395	12,731,744	960,651
Total Deferred Inflows of Resources	139,826,067	81,686,418	58,139,649
Net Investment in Capital Assets	48,303,198	34,698,868	13,604,330
Restricted	7,279,655	12,527,349	(5,247,694)
Unrestricted	(43,043,253)	(58,072,148)	15,028,895
Total Net Position	$ 12,539,600	$ (10,845,931)	$ 23,385,531

During fiscal year 2022, the District implemented GASB Statement No. 87, *Leases*. As a result, the fiscal year 2021 financial statements were restated for leases receivable and related deferred inflows of resources.

Current and other assets decreased significantly in comparison with the prior fiscal year-end. This decrease primarily consists of a decrease in cash and investments due to two debt issuances from the prior year which were still significantly unspent by year end. Additionally, the District recognized larger receivables for property taxes and payments in lieu of taxes due to an increase in amounts expected to be collected between years.

Capital assets, net increased significantly due to continued construction in progress and other additions related to construction projects, which was partially offset by depreciation expense and current year disposals.

Current liabilities increased in comparison with the prior fiscal year primarily due to increases in accounts payable due to unpaid obligations for capital asset projects.

The net pension and net OPEB liabilities, net OPEB asset and related deferred outflows and inflows of resources all fluctuated significantly in comparison with the prior fiscal year-end. These fluctuations are primarily the result of changes in benefit terms, changes in actuarial assumptions, and greater than expected returns on pension plan investments.

A large portion of the District's net position reflect its investment in capital assets (e.g., land, buildings, equipment, and intangible right-to-use equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

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The table below shows the change in net position for fiscal year 2022 and 2021:

Change in Net Position

	2022	2021	Change
Program Revenues			
Charges for Services	$ 2,991,671	$ 2,053,336	$ 938,335
Operating Grants	13,051,310	8,087,132	4,964,178
General Revenues			
Property Taxes	84,861,774	117,723,894	(32,862,120)
Unrestricted Grants and Entitlements	19,908,576	22,686,590	(2,778,014)
Payments in Lieu of Taxes	12,589,493	11,054,568	1,534,925
Investment Earnings	(4,300,218)	67,761	(4,367,979)
Miscellaneous	465,236	331,891	133,345
Total Revenues	129,567,842	162,005,172	(32,437,330)
Program Expenses			
Instructional	62,711,371	71,577,009	(8,865,638)
Support Services	30,179,653	31,075,650	(895,997)
Operation of Noninstructional Services	3,974,016	3,319,846	654,170
Extra Curricular Activites	1,764,638	1,550,244	214,394
Interest and Fiscal Charges	7,552,633	5,131,238	2,421,395
Total Expenses	106,182,311	112,653,987	(6,471,676)
Change in Net Position	23,385,531	49,351,185	(25,965,654)
Net Position at Beginning of Year	(10,845,931)	(60,197,116)	
Net Position at End of Year	$ 12,539,600	$ (10,845,931)	

Property taxes decreased in comparison with the prior fiscal year. This decrease is the result of a significant decrease in amounts available for advance due to the extension of the due date of the second half taxes due to the COVID-19 pandemic in a prior year, which affected prior year estimates. Charges for services increased between years due to the increase in revenues in the food service fund resulting from changes to the District's school schedule related to the COVID-19 pandemic. Tuition collected through the state foundation also increased. The District received additional grant funds related to the COVID-19 pandemic through the ESSER programs, resulting in an increase in operating grants.

Investment earnings decreased significantly in comparison with the prior fiscal year. This decrease is primarily the result of a significant decrease in market values of the District's investments.

Total expenses decreased in comparison with the prior fiscal year. This decrease is primarily the result of a decrease in pension and OPEB expenses incurred for the year. These decreases were partially offset by increases for interest and fiscal charges on debt issuances and increased costs paid from COVID-19 funding.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at year-end.

The District's governmental funds decreased in comparison with the prior fiscal year. The schedule below indicates the fund balances and the total change in fund balances as of June 30, 2022 for all major and nonmajor governmental funds.

Funds:	Fund Balance June 30, 2022	Fund Balance June 30, 2021	Increase/ (Decrease)
General	$ 59,250,305	$ 51,010,236	$ 8,240,069
Debt Service	17,129,198	23,811,851	(6,682,653)
Building	231,121,365	252,987,934	(21,866,569)
Other Governmental	9,170,306	6,595,692	2,574,614
Total	$ 316,671,174	$ 334,405,713	$ (17,734,539)

General Fund

The general fund is the chief operating fund of the District. The increase in fund balance during the current year represents the amount in which property taxes and related receipts, payments in lieu of taxes, and intergovernmental revenues exceeded instructional and support service expenditures during the fiscal year. Property taxes decreased significantly in comparison with the prior fiscal year. This decrease is the result of a significant increase in amounts available for advance due to a prior year extension of the due date of the second half taxes due to the COVID-19 pandemic whereas the County resumed its normal tax collection schedule for the prior and current years.

Debt Service Fund

The decrease in fund balance during the current year represents the amount in which debt service requirements exceeded current year property tax and related receipts.

Building Fund

The decrease in fund balance during the current year represents the amounts of capital outlays and reduction in fair value of investments.

General Fund Budgetary Highlights

The District's budget is prepared in accordance with Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. Budgetary information is presented only for the general fund in the financial statements.

The District's final estimated revenues and other financing sources were exceeded by the original estimated amounts. This decrease was the result of a decrease in expected transfers in. The District's final estimated revenues and other financing sources were exceeded by actual revenues and other financing sources. This variance was mainly the result of underestimated payments in lieu of taxes, tuition, and advances in.

The District's final appropriations and other financing uses exceeded the original amounts. This decrease was mainly the result of a decrease in regular and special instruction and pupil support services costs. The District's final appropriations and other financing uses exceeded the actual amounts as a result of conservative spending, which was partially offset by an increase in transfers out for its internal budget reserve.

Capital Assets

At fiscal year-end, the District capital assets, net increased in comparison with the prior fiscal year. This increase represents the amount in which current year additions exceeded current year depreciation/amortization and disposals. See note 9 to the basic financial statements for additional information on Capital Assets.

Debt Administration

At fiscal year-end, the District's general bonded debt decreased in comparison with the prior fiscal year. This decrease represents current year principal payments and amortization. See note 10 to the basic financial statements for additional information on long-term obligations.

Economic Conditions and Outlook

In May 2018, the District passed a $32,000,000 bond issue as well as a 4.28 mill operating levy. The bond issue covered the cost of building a new Lincoln Elementary as well as renovations to existing buildings throughout the District. The operating levy will generate $6,900,000 per year for everyday operating expenses. In November of 2020, the voters of the District passed an operating levy (4.26 mills) which provides funding for a continuing period of time. In addition, a Bond issue (4.93 mills) and Permanent improvement levy (1.50 mills) were passed to provide funding for the construction of a new high school and additions to several elementary and middle schools throughout the District. At present, plans and designs are being developed for the construction and expansion of these new and existing facilities. The District expects no changes to debt terms for the current outstanding issues.

The Federal Reserve issued a Federal Open Market Committee (FOMC) statement on September 21, 2022. Recent indicators point to modest growth in spending and production. Job gains have been robust in recent months, and the unemployment rate has remained low. Inflation remains elevated, reflecting supply and demand imbalances related to the pandemic, higher food and energy prices, and broader price pressures. Russia's war against Ukraine is causing tremendous human and economic hardship. The war and related events are creating additional upward pressure on inflation and are weighing on global economic activity. The Committee is highly attentive to inflation risks. The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. In support of these goals, the Committee decided to raise the target range for the federal funds rate to 3 to 3-1/4 percent and anticipates that ongoing increases in the target range will be appropriate. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in the Plans for Reducing the Size of the Federal Reserve's Balance Sheet that were issued in May. The Committee is strongly committed to returning inflation to its 2 percent objective. In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will consider a wide range of information, including readings on public health, labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

General economic conditions drive state and local tax revenues, which in turn impact school district finances. Local tax revenues are derived from property taxes, which tend to be a more stable source of income. Boards of education can levy additional taxes on real property upon a favorable vote of the residents of the district; anecdotally, voters tend to be more likely to support imposing additional taxes upon themselves when the economy is good, and less so when economic conditions are poor.

State revenue – which is typically distributed via a funding formula – is an amalgamation of various tax sources, though the primary drivers in Ohio are the sales and income taxes. These two sources are often directly correlated with economic conditions (though specific policy decisions may also impact collections).

As the economy emerges from the COVID-19 pandemic, a variety of factors highlight its fragility. While strong tax receipts and employment numbers would appear to indicate a vibrant economy, declining Gross Domestic Product (GDP), inflation not seen in 40 years, and a war in Europe illustrate signs of caution.

According to the Ohio Office of Budget and Management (OBM):

- According to the Bureau of Economic Analysis (BEA)'s second estimate, the nation's GDP decreased in the second quarter of calendar year 2022 at an annualized rate of 0.6 percent, an upward revision of 0.3 percentage points from last month's advance estimate. This is the second consecutive quarter where U.S. GDP decreased marginally, following increases in each of the prior six quarters. The second quarter decrease in real GDP resulted from decreases in private inventories (-1.8 percentage points), fixed investment (-0.8 percentage points) and government expenditures (-0.3 percentage points). These decreases were partially offset by increases in net exports (1.4 percentage points) and personal consumption expenditures (1 percentage points).

- Moody's Analytics and CNN created the Back-to-Normal Index to track the economic recovery. The national index includes 37 indicators of economic activity, combining the 25 traditional economic indicators used in Moody's High Frequency GDP model, with 12 real-time indicators. Each state index is composed of a weighted average of the national index and seven state-level indicators. Both indices range from zero, representing no economic activity, to 100 percent, indicating full economic recovery to pre-pandemic levels. As of November 3, 2021, the national index was at 94.6 percent. Ohio's index was 2.9 percentage points ahead of that at 97.5. Ohio's average in October was 2.9 percentage points above the average in September while the national average grew slightly less (2.3 percentage points) during the same time frame (OBM, 2022).

The Back-to-Normal Index tracks the economic recovery compared to pre-pandemic levels. As of August 31, 2022, the national index was at 90.9 percent. Ohio's index was 2.4 percentage points higher at 93.3 percent. Ohio's average Back-to-Normal Index value in August was 93.4 percent, which was 2.1 percentage points above the national average of 91.3 percent.

The Federal Reserve's Beige Book evaluates current economic conditions across its 12 districts. According to the September report, the economy in the Fourth District, which includes Ohio, saw activity stabilize since July. Consumer demand for homes and automobiles softened, and higher prices constrained spending at retail locations. Supply chain concerns continue, but there were more frequent reports of relief in this area than in prior months. Continued supply chain relief and softer economic conditions could help further alleviate inflationary pressures moving forward.

In July, the Conference Board's Leading Economic Index (LEI) decreased 0.4 percent to 116.6 from June's revised value. The index has now decreased in each of the last five months and six of the seven months thus far in calendar year 2022. The Conference Board's senior director of economics reported that the LEI's decline over the past five months, combined with slowdowns in housing construction and manufacturing new orders, as well as growing consumer pessimism, suggests that the risk of national recession in the near term is rising.

Economic forecasters remain divided about the future of the national economy. However, recent upward revisions to GDP and the ongoing robust labor market suggest that the economy is likely to regain some strength in the third quarter. While concerns about inflation, the Russian war in Ukraine, and supply chain disruptions could alter the overall outlook, forecasters estimate that growth in the third quarter will be in a more normalized range.

Ohio's strong performance on the Moody's / CNN Back-to-Normal Index coupled with stronger-than expected tax receipts provide for continued optimism. However, inflationary increases not seen in decades continue to put pressure on the economy and will impact District expenditures, particularly in energy, fuel, and food costs. While there are positive signs, there remain pressures that may still unravel it all.

The forecast assumes increases in staffing levels due to growth in the student population and special education needs. Athletic gate receipts continue to be negatively impacted as are food service, although the federal government subsidies for meals have more than offset these reductions.

For fiscal year 2022, the District re-opened in a full on-site learning environment which remains in place. The pandemic has continued to impact the operations of the District with increased costs for supplies, protective equipment, maintenance and staffing costs. Despite the negative impacts to the economic environment, the District did not experience the reduction in the collection of property taxes previously forecasted. The state implemented a new funding formula, which when fully implemented could result in an increase in state funding of more than $2.0 million per fiscal year. In addition, the deductions in funding related to costs for open enrollment, community schools, STEM and scholarship programs where students are educated outside the District would be eliminated.

The City's GoForward Gahanna: Results that Matter initiative is a citywide strategic plan that will guide the city's policy agenda, budgets, and management. Rooted in measured outcomes, the plan is driven and supported by actions for the community to undertake to achieve desired results. The City of Gahanna embarked on a community wide engagement process and integrated results into a compelling action agenda for the future of the City. The plan focuses on five strategic priority areas, identified by the Outreach Team, that are critical to City's success. The five areas are as follows: 1) Business & Job Development; 2) Roads, Bridges, and Infrastructure; 3) Parks, Trails & Recreation; 4) Character of the City, and; 5) Good Government. In each of these areas, goals have been set and ideas have moved into the implementation phase. The initiative ensures that the City dedicates its resources to its strategic priorities and achieves meaningful and measurable results.

The staff of Jefferson Township is guided or directed in its decision-making by several documents, including the Jefferson Township 2050 Comprehensive Plan, the Jefferson Township Zoning Resolution, and various resolutions, including those related to budgeting and policies, enacted by the Board of Trustees. With the addition of their Strategic Plan and associated Capital Improvements Plan, Jefferson Township will adopt a revised planning cycle to ensure that long-range and short-range planning documents are continually reviewed to meet the expectations and needs of the community. The purpose of the Strategic Plan is to identify the goals of the community and map out the objectives and actions associated with each of them. With a clear direction moving forward, staff can be better positioned to allocate resources to achieve those goals. The Jefferson Township Administrator is primarily responsible for ensuring that these goals and the actions needed to achieve them are kept in front of the Board of Trustees and the staff. It is only by constantly measuring Township operations against these goals that progress can be made to achieve them.

Request for Information

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the treasurer's office, Gahanna-Jefferson Public School District, 160 S. Hamilton Road, Gahanna, Ohio 43230.

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Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Net Position
As of June 30, 2022

		Governmental Activities
Assets		
Equity in Pooled Cash and Investments	$	297,186,008
Receivables:		
Property Taxes - Current		91,814,879
Property Taxes - Delinquent		438,374
Leases		7,915,917
Accounts		1,013
Accrued Interest		147,635
Payments in Lieu of Taxes		10,706,336
Due From Other Governments		1,878,723
Prepaid Assets		127,085
Materials and Supplies Inventory		86,500
Net OPEB Asset		8,421,886
Capital Assets:		
Non-depreciable Capital Assets		51,883,355
Depreciable Capital Assets		48,072,176
Total Assets		518,679,887
Deferred Outflows of Resources		
Deferred Charge on Refunding		268,489
Pension		26,799,129
OPEB		2,426,471
Total Deferred Outflows of Resources		29,494,089
Liabilities		
Accounts Payable		5,276,931
Accrued Wages and Benefits Payable		7,805,720
Due to Other Governments		1,450,311
Payroll Withholdings		13,007
Retainage Payable		241,198
Accrued Interest Payable		669,392
Claims Payable		112,447
Unearned Revenue		364,473
Long-Term Liabilities		
Due Within One Year		14,738,296
Due in More Than One Year:		
Net Pension Liability		62,568,430
Net OPEB Liability		5,883,903
Other Amounts Due in More Than One Year		296,684,201
Total Liabilities		395,808,309
Deferred Inflows of Resources		
Property and Other Local Taxes		66,424,855
Pension		51,897,401
OPEB		13,692,395
Leases		7,811,416
Total Deferred Inflows of Resources		139,826,067
Net Position		
Net Investment in Capital Assets		48,303,198
Restricted		
Permanent Improvements		6,293,248
Locally Funded Programs		66,655
Scholarships		138,775
Extracurricular Activities		876,856
State Funded Programs		69,693
Federally Funded Programs		36,205
Food Service		1,921,667
Unrestricted		(45,166,697)
Total Net Position	$	12,539,600

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2022

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction				
Regular Instruction	$ 46,117,337	$ 1,806,275	$ 1,876,178	$ (42,434,884)
Special Instruction	15,813,448	14,343	3,015,278	(12,783,827)
Vocational Instruction	351,796	-	105,292	(246,504)
Student Intervention Services Instruction	242,911	-	187,607	(55,304)
Other Instruction	185,879	-	187,699	1,820
Support Services				
Pupils	6,359,899	-	1,420,052	(4,939,847)
Instructional Staff	3,458,196	-	245,898	(3,212,298)
General Administration	425,000	-	-	(425,000)
School Administration	6,494,304	171,665	106,142	(6,216,497)
Fiscal Services	2,211,650	-	250,717	(1,960,933)
Business	472,715	-	-	(472,715)
Maintenance	3,988,519	47,391	73,370	(3,867,758)
Pupil Transportation	4,806,182	-	26,119	(4,780,063)
Central	1,963,188	-	19,800	(1,943,388)
Operation of Noninstructional Services	3,974,016	238,502	5,443,559	1,708,045
Extra Curricular Activities	1,764,638	713,495	93,599	(957,544)
Interest and Fiscal Charges	7,552,633	-	-	(7,552,633)
Total Governmental Activities	$ 106,182,311	$ 2,991,671	$ 13,051,310	(90,139,330)

General Revenues	
Property Taxes Levied for:	
General Purposes	69,482,406
Debt Service	10,112,428
Permanent Improvement	5,266,940
Unrestricted Grants and Entitlements	19,908,576
Payments in Lieu of Taxes	12,589,493
Investment Earnings	(4,300,218)
Miscellaneous	465,236
Total General Revenues	113,524,861
Change in Net Position	23,385,531
Net Position Beginning of Year	(10,845,931)
Net Position End of Year	$ 12,539,600

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Balance Sheet - Governmental Funds
As of June 30, 2022

	General Fund	Debt Service Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	$ 38,298,879	$ 12,325,168	$ 236,036,055	$ 9,605,883	$ 296,265,985
Receivables:					
Property Taxes - Current	75,237,393	10,844,657	-	5,732,829	91,814,879
Property Taxes - Delinquent	372,271	41,995	-	24,108	438,374
Leases	7,915,917	-	-	-	7,915,917
Accounts	1,013	-	-	-	1,013
Accrued Interest	39,222	2,128	102,815	3,470	147,635
Payments in Lieu of Taxes	10,706,336	-	-	-	10,706,336
Due From Other Governments	-	-	-	1,878,723	1,878,723
Interfund Receivable	1,123,645	-	-	-	1,123,645
Prepaid Assets	127,085	-	-	-	127,085
Materials and Supplies Inventory	20,426	-	-	66,074	86,500
Total Assets	133,842,187	23,213,948	236,138,870	17,311,087	410,506,092
Liabilities:					
Accounts Payable	329,843	-	4,673,492	273,596	5,276,931
Accrued Wages and Benefits Payable	7,027,095	-	-	722,062	7,749,157
Interfund Payable	-	-	-	1,123,645	1,123,645
Due to Other Governments	1,291,818	-	-	158,493	1,450,311
Payroll Withholdings	13,007	-	-	-	13,007
Accrued Interest Payable	-	-	-	5,338	5,338
Matured Leave Benefits Payable	66,944	-	-	-	66,944
Retainage Payable	-	-	241,198	-	241,198
Unearned Revenue	361,539	-	-	2,934	364,473
Tax Anticipation Notes Payable	-	-	-	2,395,000	2,395,000
Total Liabilities	9,090,246	-	4,914,690	4,681,068	18,686,004
Deferred Inflows of Resources:					
Unavailable Revenue	419,189	44,123	102,815	228,093	794,220
Property and Other Local Taxes	57,152,608	6,040,627	-	3,231,620	66,424,855
Leases	7,929,839	-	-	-	7,929,839
Total Deferred Inflows of Resources	65,501,636	6,084,750	102,815	3,459,713	75,148,914
Fund Balances:					
Non-spendable	147,511	-	-	-	147,511
Restricted	192,385	17,129,198	231,121,365	9,339,316	257,782,264
Committed	3,505,545	-	-	-	3,505,545
Assigned	2,925,446	-	-	-	2,925,446
Unassigned	52,479,418	-	-	(169,010)	52,310,408
Total Fund Balances	59,250,305	17,129,198	231,121,365	9,170,306	316,671,174
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 133,842,187	$ 23,213,948	$ 236,138,870	$ 17,311,087	$ 410,506,092

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position Governmental Activities
As of June 30, 2022

Total Governmental Fund Balances		$ 316,671,174
Amounts reported for governmental activities in the statement of net positon are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		99,955,531
Other long-term assets are not available to pay for current period expenditures and therefore are reported as a deferred inflow of resources in the funds.		
	Property Taxes Receivable	438,374
	Payments in Lieu of Taxes Receivable	46,918
	Due From Other Governments	200,515
	Interest Receivable	108,413
	Lease Receivable	118,423
An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		751,013
The net pension and OPEB liability (asset) is not due and payable in the current period; therefore, the liability (asset) and related deferred inflows/outflows are not reported in governmental funds.		
	Deferred Outflows - Pension	26,799,129
	Deferred Outflows - OPEB	2,426,471
	Deferred Inflows - Pension	(51,897,401)
	Deferred Inflows - OPEB	(13,692,395)
	Net Pension Liability	(62,568,430)
	Net OPEB Asset	8,421,886
	Net OPEB Liability	(5,883,903)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
	Bonds and Notes Payable	(284,176,267)
	Bond and Note Premiums	(18,632,711)
	Deferred Amount on Refunding	268,489
	Accrued Interest Payable	(664,054)
	Leases Payable	(326,963)
	Compensated Absence Payable	(5,824,612)
		(309,356,118)
Net Position of Governmental Activities		$ 12,539,600

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022

	General Fund	Debt Service Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
From Local Sources:					
Taxes	$ 69,376,304	$ 10,094,870	$ -	$ 5,256,869	$ 84,728,043
Payments in Lieu of Taxes	12,592,658	-	-	-	12,592,658
Tuition	1,734,716	-	-	-	1,734,716
Charges for Services	47,743	-	-	238,502	286,245
Rent	118,171	-	-	-	118,171
Other Local	467,809	-	-	156,290	624,099
Intergovernmental - State	20,528,623	188,498	-	516,153	21,233,274
Intergovernmental - Federal	-	-	-	11,996,500	11,996,500
Investment Income	(523,721)	(65,109)	(3,768,510)	(12,226)	(4,369,566)
Gifts and Donations	41,745	-	-	57,207	98,952
Extracurricular Activities	111,966	-	-	543,607	655,573
Total Revenues	104,496,014	10,218,259	(3,768,510)	18,752,902	129,698,665
Expenditures:					
Instruction:					
Regular	47,504,301	-	-	1,846,963	49,351,264
Special	14,617,386	-	-	3,065,729	17,683,115
Vocational	424,886	-	-	-	424,886
Student Intervention Services	63,071	-	-	179,840	242,911
Other Instruction	5,855	-	-	179,928	185,783
Support services:					
Pupils	6,047,153	-	-	1,078,487	7,125,640
Instructional Staff	3,402,371	-	-	260,463	3,662,834
Board of Education	392,802	-	-	1,000	393,802
School Administration	7,047,875	-	-	101,671	7,149,546
Fiscal Services	2,121,339	127,609	-	66,985	2,315,933
Business	484,750	-	3,811	-	488,561
Maintenance	5,077,057	-	-	95,788	5,172,845
Pupil Transportation	4,812,838	-	-	-	4,812,838
Central	2,115,617	-	-	26,465	2,142,082
Operation of Noninstructional Services	11,356	-	-	3,986,366	3,997,722
Extracurricular Activities	1,167,135	-	-	618,932	1,786,067
Capital Outlay	-	-	18,094,248	1,180,974	19,275,222
Debt service:					
Principal Retirement	332,415	10,644,588	-	2,140,000	13,117,003
Interest and Fiscal Charges	3,878	6,784,678	-	1,354,697	8,143,253
Total Expenditures	95,632,085	17,556,875	18,098,059	16,184,288	147,471,307
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,863,929	(7,338,616)	(21,866,569)	2,568,614	(17,772,642)
Other Financing Sources (Uses):					
Sale of Assets	38,103	-	-	-	38,103
Transfers In	-	655,963	-	6,000	661,963
Transfers Out	(661,963)	-	-	-	(661,963)
Total Other Financing Sources (Uses)	(623,860)	655,963	-	6,000	38,103
Net Change in Fund Balances	8,240,069	(6,682,653)	(21,866,569)	2,574,614	(17,734,539)
Fund Balances - Beginning	51,010,236	23,811,851	252,987,934	6,595,692	334,405,713
Fund Balances - Ending	$ 59,250,305	$ 17,129,198	$ 231,121,365	$ 9,170,306	$ 316,671,174

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Reconciliation of the Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds		$ (17,734,539)
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 expense.		
	Depreciation/Amortization Expense	(3,146,766)
	Capital Outlay	20,067,156
	Net effect of capital assets sales and disposals	(128,493)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		
	Property Taxes - Delinquent	133,731
	Payment in Lieu of Taxes	(3,165)
	Due From Other Governments	(368,840)
	Interest	69,348
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		9,380,377
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		356,459
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability (asset) are reported as negative OPEB expense in the statement of activities.		843,026
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
	Bond and Note Principal Repayments	12,924,586
	Amortization of Bond Premium and Deferred Amount on Refunding	563,926
	Lease Principal Repayments	192,415
Some expenses reported in the statement of activities, such as compensated absences payable, do not require the use of current financial resources and therefore are not reported as expenditures in the funds.		
	Compensated Absences	250,637
	Accrued Interest	26,694
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		(41,021)
Change in Net Position of Governmental Activities		$ 23,385,531

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Over/(Under)
Revenues:				
Property Taxes	$ 73,864,584	$ 73,864,584	$ 73,874,980	$ 10,396
Payments in Lieu of Taxes	8,902,312	8,902,312	12,665,857	3,763,545
Intergovernmental - State	20,448,976	20,448,976	20,521,527	72,551
Interest on Investments	270,444	270,444	342,185	71,741
Tuition	1,421,000	1,421,000	1,633,916	212,916
Rent	107,050	107,050	118,171	11,121
Charges for Services	32,000	32,000	19,802	(12,198)
Other local Sources	188,000	188,000	327,761	139,761
Gifts and Donations	-	-	42,734	42,734
Extracurricular Activities	13,000	13,000	12,070	(930)
Total Revenues	105,247,366	105,247,366	109,559,003	4,311,637
Expenditures:				
Instruction:				
Regular	52,788,589	51,809,263	48,978,853	2,830,410
Special	17,062,233	16,577,998	15,303,959	1,274,039
Vocational	544,080	512,978	434,113	78,865
Student Intervention Service	1,725	63,071	63,071	-
Other	-	5,418	5,418	-
Support Services:				
Pupils	7,479,417	7,077,394	6,150,429	926,965
Instructional Staff	3,945,162	4,100,247	3,509,874	590,373
Board of Education	817,565	882,600	604,083	278,517
School Administration	7,386,115	7,596,443	7,291,728	304,715
Fiscal Services	2,168,028	2,206,934	2,102,320	104,614
Business	798,127	971,403	522,513	448,890
Maintenance	5,554,820	5,871,071	5,598,461	272,610
Pupil Transportation	3,973,558	4,708,491	4,921,159	(212,668)
Central	2,211,939	2,166,642	2,226,827	(60,185)
Extracurricular Activities	552,424	520,534	1,142,836	(622,302)
Debt Service:				
Principal Retirement	148,577	140,000	140,000	-
Interest and Fiscal Charges	4,116	3,878	3,878	-
Total Expenditures	105,436,475	105,214,365	98,999,522	6,214,843
Excess of Revenues Over (Under) Expenditures	(189,109)	33,001	10,559,481	10,526,480
Other Financing Sources (Uses):				
Sale of Assets	2,000	2,000	38,103	36,103
Transfers In	3,345,000	695,952	351,102	(344,850)
Transfers Out	(512,614)	(854,724)	(1,308,906)	(454,182)
Advances In	-	-	593,809	593,809
Advances Out	-	-	(9,556)	(9,556)
Total Other Financing Sources (Uses)	2,834,386	(156,772)	(335,448)	(178,676)
Net Change in Fund Balance	2,645,277	(123,771)	10,224,033	10,347,804
Fund Balances at Beginning of Year	21,574,957	21,574,957	21,574,957	-
Prior Year Encumbrances Appropriated	1,555,948	1,555,948	1,555,948	-
Fund Balances at End of Year	$ 25,776,182	$ 23,007,134	$ 33,354,938	$ 10,347,804

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Net Position - Proprietary Fund
As of June 30, 2022

	Governmental Activities - Internal Service Fund
Current Assets:	
Equity in Pooled Cash and Investments	$ 920,023
Total Current Assets	920,023
Total Assets	920,023
Current Liabilities:	
Claims Payable	112,447
Unearned Revenue	56,563
Total Current Liabilities	169,010
Total Liabilities	169,010
Net Position:	
Unrestricted	751,013
Total Net Position	$ 751,013

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Revenues, Expenses, and Changes in Net Position -
Proprietary Fund
For the Fiscal Year Ended June 30, 2022

	Governmental Activities - Internal Service Fund
Operating Revenues:	
Charges for Services	$ 887,749
Total Operating Revenues	887,749
Operating Expenses:	
Purchased Services	94,592
Claims	834,178
Total Operating Expenses	928,770
Operating Loss	(41,021)
Net Position Beginning of Year	792,034
Net Position End of Year	$ 751,013

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Cash Flows - Proprietary Fund
For the Fiscal Year Ended June 30, 2022

	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities:	
Cash Received from Charges for Services	$ 914,270
Cash Payments for Contract Services	(94,592)
Cash Payments for Claims	(811,921)
Net Cash Provided for Operating Activities	7,757
Net Increase in Cash and Cash Equivalents	7,757
Equity in Pooled Cash and Investments at Beginning of Year	912,266
Equity in Pooled Cash and Investments at End of Year	920,023
Reconciliation of Operating Loss to Net Cash Provided for Operating Activities:	
Operating Loss	(41,021)
Adjustments to Reconcile Operating Loss to Net Cash Provided for Operating Activities:	
Changes in Assets and Liabilities:	
Interfund Receivable	26,278
Claims Payable	22,257
Unearned Activities	243
Net Cash Provided for Operating Activities	$ 7,757

See accompanying notes to the basic financial statements.

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT

The Gahanna Jefferson Public School District (the "District) is located in Franklin County, Ohio. The District operates under a locally-elected Board form of government and provides educational services as authorized or mandated by state and/or federal agencies. This Board controls the District's instructional/support facilities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No.14, *The Financial Reporting Entity* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. The District had no component units for the fiscal year ended June 30, 2022.

The District participates in the Metropolitan Educational Technology Association (META). META is composed of over 200 members which includes school districts, joint vocational schools, educational service centers, and libraries covering 37 counties in Central Ohio. The META helps its members purchase services, insurances, supplies, and other items at a discounted rate. The governing board of META is composed of either the superintendent, a designated representative or a member of the board of education for each participating school district in Franklin County and one representative from each county outside of Franklin County. Each year, the participating school districts pay a membership fee to META to cover the costs of administering the program. Financial information may be obtained from the Metropolitan Educational Technology Association Chief Financial Officer, at 2100 Citygate Dr., Columbus, OH 43219.

The District is a member of the Eastland-Fairfield Career and Technical School (School), a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating district's elected boards, which possesses its own budgeting and taxing authority. Financial information can be obtained from Dawn Lemley, who serves as Treasurer, at 4300 Amalgemated Place, Groveport, Ohio 43125.

Undivided Interest in Joint Operations On February 21, 1996, a contract was entered into between the District and the City of Gahanna (City), a separate legal entity, to construct and operate a vehicle maintenance facility. Based on the terms of the agreement, the entities equally bore the cost related to the construction of the maintenance facility. In exchange for 4.699 acres of land that the City deeded to the District, the City received a credit of $187,960 toward their share of the cost related to construction. The land was recorded in the District's governmental activities in fiscal year 1996. In 2000, the District's share of construction costs, totaling $1,234,694, was recorded in the District's governmental activities as a capital asset. Each entity is responsible for managing the operations of their portion of the vehicle maintenance facility.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary governmental is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods or services provided by a given program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District has no enterprise funds.

Measurement Focus, basis of accounting and financial statement presentation

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes and payment in lieu of taxes are recognized as revenues in the year for which they are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available for advance, investment earnings, tuition, grants and student 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, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expenses/expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refundings and for pensions and other postemployment benefits (OPEB). 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 12 and 13.

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 District, deferred inflows of resources include property taxes, payment in lieu of taxes, unavailable revenue, leases, pension, and OPEB. Property taxes and payment in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue includes delinquent property taxes, intergovernmental revenues, and interest income. These amounts are only reported on the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 12 and 13).

Expenditures/Expenses

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the Statement of Revenues, Expenditures and Changes in Fund Balance as an expenditure with a like amount reported as intergovernmental revenue.

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

The 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. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific District functions or activities. There are three categories of funds: governmental, proprietary and fiduciary. The District currently has two types of funds: governmental and proprietary.

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 purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities/deferred inflows of resources is reported as fund balance. The following is the District's governmental funds:

MAJOR GOVERNMENTAL FUNDS

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

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Building Fund – The building fund is used to account for all transactions related to the new elementary and high construction projects.

OTHER GOVERNMENTAL FUNDS

Other Governmental Funds of the District are used to account for grants and other resources whose use is restricted or committed for a particular purpose.

OTHER FUND TYPES

Internal Service Funds – Funds provided to account for money received from other funds as payment for providing vision, dental and workers' compensation insurance. Payments are made to a third party administrator for claims payments, claims administration, stop-loss coverage, and medical insurance premiums.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. However, the activity for interfund services in the internal service fund are consolidated with the Governmental Activities on the government-wide financial statements.

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

Cash and Investments

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

All investments are reported at fair value, which is based on quoted market prices.

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

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

Under existing Ohio statutes, all investment earnings are assigned to the general fund except those specifically related to certain trust funds, unless the Board of Education specifically directs interest to be recorded in other funds. Interest revenue credited to the general fund during fiscal year 2022 amounted to $342,185, which includes $257,126 assigned from other District funds. In addition to interest earnings, the District also experienced a decrease in fair value of investments in the amount of $865,906 for the general fund.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

Inventory and Prepaid Items

All inventories are valued at cost using the first in, first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. At fiscal year-end, inventory consists of donated food and purchased food and supplies held for resale.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

Capital Assets

General capital assets are those related to governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by proprietary funds are reported on both statement types.

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

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

Description	Estimated Lives
Land improvements	20 years
Buildings and improvements	20-50 years
Equipment and fixtures	5-20 years
Vehicles	8 years
Textbooks	6 years

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

Interfund Balances

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

On fund financial statements, receivables and payables resulting from short-term interfund loans between governmental funds are classified as "interfund receivable/payable." Advances to/from other funds are long-term advances made between governmental funds that are not expected to be repaid within one year. These amounts are eliminated in the governmental activities column on the statement of net position.

Compensated Absences

GASB Statement No. 16, "Accounting for Compensated Absences", specifies the method used to accrue liabilities for leave benefits. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that is probable that benefits will result in termination payments. The liability is an estimate based on the District's past experience of making termination payments. The total liability for vacation and severance payments has been calculated using pay rates in effect at fiscal year-end, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

Unearned Revenue

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for unearned revenue.

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term debt are reported in the government-wide financial statements as well as the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds (typically the General fund) are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Pensions/Other Postemployment Benefits (OPEB)

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

Fund Balance

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

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) 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 are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – Fund balance is reported as committed when there are resources constrained for specific purposes that are internally imposed by formal action (resolution) of the government at the highest level of decision making authority, Board of Education.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria as restricted or committed. Although no specific resolution has been made, the District Board of Education authorizes the Treasurer to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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

The District applies restricted resources first when disbursements are incurred for purposes for which both restricted and unrestricted (committed, assigned and unassigned) fund balance is available. The District considers assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consist of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balance 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 either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes represent restricted grants and contributions held at fiscal year-end. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Bond Premiums

On government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds. On the governmental fund financial statements, bond premiums are recognized in the current period.

Extraordinary and Special Items

Extraordinary items are transactions of events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During the fiscal year, the District did not incur any transactions that would be classified as an extraordinary item or special item.

Estimates

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

Budgetary Calendar

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budget documents within an established timetable. The major documents prepared are the Five-Year Forecast, the Certificate of Estimated Resources, and the Appropriations Resolution, all of which are prepared on the budgetary cash basis of accounting. All funds are required to be budgeted and appropriated. The legal level of budgetary control is at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The Certificate of Estimated Resources and the Appropriations Resolution are subject to amendment throughout the year with legal restriction that the appropriations cannot exceed estimated resources, as certified. The amount reported as the original budgeted revenues in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted revenues in the budgetary statement reflect the amounts in the amended certificate that was in effect at the time the final appropriations were passed by the Board of Education. The amounts reported as the original budgeted expenditures reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted expenditures represent the final appropriation amounts passed by the Board during the year.

Change in Accounting Principles

For the fiscal year ended June 30, 2022, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases,* certain provisions of GASB Statement No. 97*, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32,* and certain provisions in GASB Statement No. 99, *Omnibus 2022.*

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

GASB Statement No. 97 requirements that are related to a) the accounting and financial reporting for Section 457 plans and b) determining whether a primary government is financially accountable for a potential component unit were implemented for fiscal year 2022. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the District.

GASB Statement No. 99 enhances comparability in the application of accounting and financial reporting requirements and will improve consistency of authoritative literature. The implementation of certain provisions of GASB Statement No. 99 did not have an effect on the financial statements of the District.

NOTE 3 – DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim moneys 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.

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

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

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

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

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

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from 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 items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

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.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities 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 with Financial Institutions

Custodial credit risk for deposits is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, the bank balance of the District’s deposits was $18,678,377. Of the District’s bank balance, $253,000 was covered by the Federal Depository Insurance Company (FDIC) and the remaining balance was uninsured and collateralized. The District’s financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System.

Ohio law requires that deposits either be insured or be protected by:

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

2. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total 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

At fiscal year-end, the District reported the following investments at fair value:

Investment Type	Standard & Poor's Rating	Fair Value*	Percent of Total	Investment Maturities Within 1 Year	Investment Maturities More than 1 Year
STAR Ohio	AAAm	$ 7,739,424	2.78%	$ 7,739,424	$ -
Money Market	AAAm	137,337	0.05%	137,337	-
FFCB	AA	51,854,947	18.62%	15,054,161	36,800,786
FHLMC	AA	16,814,371	6.04%	148,470	16,665,901
FNMA	AA	15,506,270	5.57%	5,863,380	9,642,890
FHLB	AA	41,254,533	14.81%	9,493,144	31,761,389
FMCC	AA	330,224	0.12%	-	330,224
U.S. Treasury Notes	AA	18,651,961	6.70%	4,246,876	14,405,085
U.S. Treasury Bill	A1	4,663,227	1.67%	4,663,227	-
U.S. Treasury Bond	AA	438,453	0.16%	-	438,453
Commercial Paper	A1	102,614,326	36.84%	102,614,326	-
Municipal Bonds	AA	7,036,782	2.53%	5,839,931	1,196,851
Municipal Issue	AA	7,304,432	2.62%	4,234,579	3,069,853
Negotiable CDs	N/A	4,161,044	1.49%	2,608,866	1,552,178
Total		$ 278,507,331	100.00%	$ 162,643,721	$ 115,863,610

* The District's money market funds and STAR Ohio are valued at net asset value (NAV).

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

In addition, in accordance with GASB Statement No. 79, the District's investment in STAR Ohio is reported at amortized cost. For the fiscal year ended June 30, 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2022, is 35 days.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the District's investment policy limits investment portfolio maturities to five years or less, unless matched to a specific obligation or debt of the District. All investments outstanding at fiscal year-end mature within five years.

Credit Risk: The District's investment policy limits investments to those authorized by State statute.

Concentration Risk: The District's investment policy does not limit the amount that may be invested in any one issue. Investments of the District are diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issue or a specific class of securities.

NOTE 4 – INTERFUND TRANSACTIONS

Interfund balances at fiscal year-end, as reported on the fund financial statements, consist of the following individual interfund receivables and payables:

Fund	Receivable	Payable
General Fund	$ 1,123,645	$ -
Other Governmental Funds	-	1,123,645
Totals	$ 1,123,645	$ 1,123,645

These interfund balances are the result advances made by the District from the General Fund to cover negative cash balances in grant funds for draw requests expected to be received after year-end.

The District transferred $655,963 from the General Fund to the Debt Service Fund for debt payments, and $6,000 from the General Fund to the Athletic Fund to cover the costs of athletic activities.

NOTE 5 – PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2022 represents collections of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed value listed as of January 1, 2021, the lien date. Assessed values for real property taxes are established by state law at thirty-five 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 2022 represents collections of calendar year 2021 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien December 31, 2020, were levied after April 1, 2021 and are collected in 2022 with real property taxes.

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

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

	2021 Second Half		2022 First Half	
	Amount	Percent	Amount	Percent
Agricultural/Residental and Other Real Estate	$ 1,853,119,850	96.13%	$ 1,869,703,700	95.83%
Public Utility Personal	74,542,490	3.87%	81,283,170	4.17%
Total	$ 1,927,662,340	100.00%	$ 1,950,986,870	100.00%
Tax rate per $1,000 of assessed valuation	87.96		87.96	

NOTE 6 – PAYMENTS IN LIEU OF TAXES

The District has entered into several Compensation Agreements with other local government entities resulting in the receipt of payments in lieu of taxes. The Compensation Agreements relate to the use of property tax abatements to encourage economic development. The District receives payments in lieu of taxes for projects at Broad Street, Easton, Creekside and other locations. For these projects, the District is to receive payments equal to the amount that the District would otherwise have received as real property tax payments derived from the improvements, absent the passage of the agreement. The District receives the payments directly from the County which collects the amounts for the agreements.

The District also receives payments in lieu of taxes from the City of Columbus, who has declared improvements to certain parcels of real property for the Stelzer-Stygler Community Reinvestment Area 100 percent exempt from property taxes. The District is to receive 46 percent of real property tax payments derived from the improvements had the exemption not been declared for improvements before March 25, 2002. For projects completed after March 25, 2002, the District will receive payments of 58 percent of real property tax payments derived from the improvements had the exemption not been declared and 50 percent of income tax collected for new employee payroll attributable to employment at each such project.

The District also receives payments in lieu of taxes from the City of Gahanna, whereas the City of Gahanna has declared improvements to certain parcels of real property within the City 100 percent exempt from property taxes. The District is to receive 50 percent of the amount of income taxes levied and collected by the City on employee payroll for that year, not to exceed 100 percent of the real property taxes foregone by the District for that year.

NOTE 7 – TAX ABATEMENTS

Under Community Reinvestment Area (CRA) and other property tax abatements entered into by the City of Gahanna and the City of Columbus, the District's property tax revenues were reduced by $700,326 and $623,257 during the fiscal year, respectively. Compensation payments received from the cities during the fiscal year totaled $396,789.

NOTE 8 – LEASE AGREEMENTS

In August 2011, the District opened Clark Hall, a state-of-the-art learning facility that serves as an extension to the nearby Lincoln High School. In addition, the District entered into the following agreements related to Clark Hall.

Eastland-Fairfield Career and Technical School (EFCTS) - In May 2010, the District and EFCTS entered into a build-out, use and operations agreement granting EFCTS the right to occupy and use approximately 8,403 square feet of space in the Clark Hall Building from the District. The term of the agreement is for fifteen years.

As part of the consideration for the rights granted to EFCTS under this agreement, EFCTS contributed $1,251,472 towards the cost of completion of the base improvements. This contribution will serve as base rent for the term of the agreement. In addition, EFCTS agreed to pay the cost of additional improvements to the premises as may be necessary (beyond the base improvements) to finish, equip, furnish, and otherwise prepare the premises for EFCTS's initial occupancy and use. As of fiscal year-end, the District has received $912,531 from EFCTS for additional improvements made.

On February 24, 2012, the District entered into a ground lease agreement with Wagenbrenner Development, Inc., for design and construction of 24,000 square feet of new commercial space on the remaining undeveloped land adjacent to Clark Hall titled "The Commons at Clark Hall". The term of the lease is for a period of 85 years. The rent payable under the lease, per annum, for the first ten years is $132,000. The rent payable will be adjusted every 10th year of the term. The District is reporting leases receivable of $7,915,917 in the governmental funds. This amount represents the discounted future lease payments. This discount is being amortized using the interest method. The lease commenced in fiscal year 2012 and concludes in fiscal year 2097. Payments are made monthly. Interest revenue for the lease during the fiscal year was $136,950.

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A summary of future payments to be received is as follows:

	Governmental Activities	
Fiscal Year	Principal	Interest
2023	$ -	$ 151,800
2024	-	151,800
2025	-	151,800
2026	-	151,800
2027	-	151,800
2028-2032	-	764,693
2033-2037	-	872,850
2038-2042	-	879,396
2043-2047	-	1,003,778
2048-2052	-	1,011,306
2053-2057	62,008	1,092,337
2058-2062	307,221	855,781
2063-2067	517,527	809,969
2068-2072	588,197	749,255
2073-2077	857,597	669,023
2078-2082	969,647	568,422
2083-2087	1,313,846	441,767
2088-2092	1,481,126	287,654
2093-2097	1,818,748	99,259
	$7,915,917	$10,864,490

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the fiscal year was as follows:

Governmental Activities	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Nondepreciable Capital Assets				
Land	$ 7,701,290	$ -	$ -	$ 7,701,290
Construction in Progress	25,637,496	19,177,743	(633,174)	44,182,065
Total Nondepreciable Assets	33,338,786	19,177,743	(633,174)	51,883,355
Capital Assets Being Depreciated/Amortized				
Land Improvements	9,517,597	35,267	-	9,552,864
Buildings and Improvements	80,201,474	757,830	(162,614)	80,796,690
Equipment and Fixtures	14,485,356	729,490	-	15,214,846
Intengible Right to Use Equipment	289,323	-	-	289,323
Vehicles	6,558,823	-	-	6,558,823
Textbooks	1,399,700	-	(7,489)	1,392,211
Total Capital Assets Being Depreciated/Amortized	112,452,273	1,522,587	(170,103)	113,804,757
Less Accumulated depreciation/Amortization				
Land Improvements	(6,532,256)	(229,770)	-	(6,762,026)
Buildings and Improvements	(44,778,571)	(1,368,203)	34,121	(46,112,653)
Equipment and Fixtures	(5,531,140)	(783,354)	-	(6,314,494)
Intengible Right to Use Equipment	(173,594)	(69,473)	-	(243,067)
Vehicles	(4,476,875)	(540,118)	-	(5,016,993)
Textbooks	(1,134,989)	(155,848)	7,489	(1,283,348)
Total Accumulated Depreciation/Amortization	(62,627,425)	(3,146,766)	41,610	(65,732,581)
Capital Assets, Net of Accumulated Depreciation/Amortization	49,824,848	(1,624,179)	(128,493)	48,072,176
Capital Assets, Net	$ 83,163,634	$ 17,553,564	$ (761,667)	$ 99,955,531

Depreciation/amortization was charged to governmental functions as follows:

	Amount
Instruction:	
Regular	$ 2,123,618
Special	10,537
Vocational	5,580
Support Services:	
Pupil	1,858
Instructional Staff	102,922
Board of Education	31,198
School Administration	76,487
Fiscal	2,750
Business	53,622
Operations and Maintenance	104,183
Pupil Transportation	497,196
Central	30,733
Non-instructional	79,268
Extracurricular Activities	26,814
Total Depreciation/Amortization Expense	$ 3,146,766

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NOTE 10 – LONG-TERM OBLIGATIONS

During the fiscal year, the following changes occurred in long-term obligations:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt					
2010 C Learning Center Bonds	$ 1,532,736	$ -	$ (383,184)	$ 1,149,552	$ 383,184
2013 A and B			-		
Energy Conservation/Refunding	2,355,000	-	(650,000)	1,705,000	830,000
Premium	33,495	-	(11,166)	22,329	-
2014 Stadium Facility Note	408,119	-	(46,404)	361,715	47,815
2015 B Refunding					
Serial Bonds	1,250,000	-	(1,250,000)	-	-
Premium	50,639	-	(50,639)	-	-
2017 Refunding	9,165,000	-	(380,000)	8,785,000	380,000
2018 School Facilities					
Serial Bonds	28,585,000	-	(860,000)	27,725,000	585,000
Premium	2,268,847	-	(81,030)	2,187,817	-
2021 School Facilities					
Serial Bonds	205,665,000	-	(7,075,000)	198,590,000	8,680,000
Premium	13,680,716	-	(369,749)	13,310,967	-
Total General Obligation Debt	264,994,552	-	(11,157,172)	253,837,380	10,905,999
Net Pension Liability	116,091,936	-	(53,523,506)	62,568,430	-
Net OPEB Liability	6,600,175	-	(716,272)	5,883,903	-
2010 Certificates of Participation	140,000	-	(140,000)	-	-
2021 Certificates of Participation	48,000,000	-	(2,140,000)	45,860,000	2,140,000
2021 Certificates of Participation Premium	3,147,104	-	(104,903)	3,042,201	-
Leases Payable	519,378	-	(192,415)	326,963	192,415
Compensated Absences	6,084,964	693,748	(887,156)	5,891,556	719,882
Total Other Long-Term Debt	180,583,557	693,748	(57,704,252)	123,573,053	3,052,297
2015 A Tax Anticipation Notes					
Serial Bonds	3,155,000	-	(760,000)	2,395,000	780,000
Premium	92,529	-	(23,132)	69,397	-
Total Tax Anticipation Notes	3,247,529	-	(783,132)	2,464,397	780,000
Total Governmental Activities	$ 448,825,638	$ 693,748	$ (69,644,556)	$ 379,874,830	$ 14,738,296

Long-Term obligations of the District are included in the Statement of Net Position. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Bond Retirement and Permanent Improvement Funds.

2010 Learning Center Clark Hall Bonds

On February 16, 2010, the District issued $14,682,770 in Learning Center Clark Hall Bonds for the purpose of school facilities construction in the Ohio School Facilities Commission program. The Series 2010A Bonds were issued in the amount of $2,435,000 with interest costs increasing each year from 3.65 to 4.15 percent. The bonds were issued at a discount in the amount of $34,897. This discount will be amortized over the life of the bond, on a straight-line basis. Payments on the bonds are made from the debt service fund. In fiscal year 2018, the Bonds were advance refunded with the Series 2017 Bonds.

The Series 2010B Bonds were issued in the amount of $6,500,000 with interest costs increasing each year from 5.04 to 6.10 percent. This issuance was issued as Build America Bonds with the District receiving payments from the federal government for interest payments. In fiscal year 2013, the Bonds were advance refunded with the Series 2013 Bonds.

The Series 2010C Bonds were issued in the amount of $5,747,770 with interest costs 1.50 percent. This issuance was issued as Qualified School Construction Bonds. The bonds mature on February 16, 2025.

2013 A and B Energy Conservation and Refunding Bonds

On June 27, 2013, the District issued $10,795,000 in Energy Conservation and Refunding Bonds for the purpose of purchasing and installing energy conservation measures and refunding the 2010B Learning Center Bonds. The Series 2013A Bonds were issued in two parts with interest costs ranging from 1.50 to 4.00 percent. The 2013A-1 Bonds were issued for energy conservation measures in the amount of $3,265,000 while the 2013A-2 Bonds were issued to refund the 2010B Learning Center Bonds in the amount of $6,395,000. The bonds were issued at a premium in the amount of $339,067. This premium will be amortized over the life of the bond, on a straight-line basis. Payments on the bonds are made from the debt service fund. The bonds mature on December 1, 2028. As a result of the advance refunding, the District reduced its total debt service requirements by $430,564, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new (debt) of $347,113. In fiscal year 2018, the 2013A portion of the Bonds were advance refunded with the Series 2017 Bonds.

The Series 2013B Bonds were issued in the amount of $1,135,000 with interest costs increasing each year from 0.55 to 1.65 percent. This issuance was Taxable Energy Conservation Bonds and will be used to fund energy projects of the District.

2014 Stadium Facility Construction and Improvement Note

On May 27, 2014, the District borrowed $700,000 for the purpose of construction, improvement, furnishings, and equipping of stadium bleacher facilities, with related site improvements. The note will be paid from the debt service fund and has an interest rate of 3.00 percent. The note has a term of 180 months. Payments in the amount of $4,835 are due on the 27th of every month with the final payment due on May 27, 2029.

2015 B Refunding Bonds

On April 14, 2015, the District issued $6,725,000 in general obligation bonds for the purpose of advance refunding a portion of the Series 2005 Bonds. The bonds will be paid from the debt service fund and have interest rates ranging from 2.50 to 3.50 percent. As a result of the advance refunding, the District reduced its total debt service requirements by $360,838, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new (debt) of $345,777). The amount of defeased debt as of June 30, 2022 is $0.

2017 Refunding Bonds

On December 11, 2017, the District issued $9,405,000 in various purpose bonds for the purpose of advance refunding the remaining Series 2010 A Bonds and a portion of the Series 2013 A Bonds. The bonds will be paid from the debt service fund and has an interest rate of 2.110 percent. As a result of the advance refunding, the District reduced its total debt service requirements by $523,300, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new (debt) of $468,308). The amount of defeased debt as of June 30, 2022 is $8,480,000.

2018 School Facilities Construction and Improvement Bonds

On August 14, 2018, the District issued $32,000,000 in School Facilities Construction and Improvement Bonds for the purpose of school facilities construction, including a new elementary school, and renovating, improving, and constructing additions to school facilities; furnishing and equipping the same; and improving sites thereof. The Bonds were issued with interest rates ranging from 3.00 to 5.00 percent. The bonds were issued with a premium in the amount of $2,511,937. This premium will be amortized over the life of the bond, on a straight-line basis. Payments on the bonds are made from the debt service fund. The bonds mature on December 1, 2048.

2021 School Facilities Construction and Improvement Bonds

On March 17, 2021, the District issued $205,665,000 in School Facilities Construction and Improvement Bonds for the purpose of school facilities construction, including a new high school, and renovating, improving, and constructing improvements and additions to existing school facilities, buildings and infrastructure, including additional classroom and learning space capacity to accommodate student population growth; furnishing and equipping the same; improving sites thereof; and acquiring land and interests in land. The Bonds were issued with interest rates ranging from 2.00 to 4.00 percent. The bonds were issued with a premium in the amount of $14,050,465. This premium will be amortized over the life of the bond, on a straight-line basis. Payments on the bonds are made from the debt service fund. The bonds mature on December 1, 2044.

The following is a summary of future annual debt service requirements for maturity for the general obligation bonds:

Fiscal Year	Principal	Interest	Total
2023	$ 10,905,999	$ 6,543,549	$ 17,449,548
2024	9,477,430	6,326,278	15,803,708
2025	6,138,951	6,141,138	12,280,089
2026	5,472,311	5,980,364	11,452,675
2027	5,628,902	5,838,486	11,467,388
2028-2032	23,987,674	27,225,945	51,213,619
2033-2037	23,825,000	23,854,950	47,679,950
2038-2042	27,910,000	19,696,240	47,606,240
2043-2047	33,145,000	14,260,046	47,405,046
2048-2052	39,000,000	8,633,005	47,633,005
2053-2057	43,460,000	4,069,522	47,529,522
2058	9,365,000	124,069	9,489,069
Total	$ 238,316,267	$ 128,693,592	$ 367,009,859

Financed Purchase Agreements

The following agreements meet the criteria of financed purchases which are defined as financed purchases which transfers ownership to the lessee. Financed purchase payments are reflected as debt service expenditures in the fund financial statements. Principal payments made during the fiscal year totaled $2,280,000.

2010 Certificates of Participation

On February 1, 2010, the District entered into a ground lease agreement with Gahanna-Jefferson Education Foundation (Foundation) whereas the District leases a parcel of land to the Foundation, and subsequently constructs school facilities on the land, and the Foundation, in turn, subleases the land, and leases the constructed school facilities to the District.

On February 16, 2010, the District issued $6,565,000 in certificates of participation for the purpose of school facilities construction in the Ohio School Facilities Commission program. The maturity date for the bonds is December 1, 2021 with interest costs increasing each year from 1.42 to 5.54 percent. The proceeds of the bonds issued were reported in the capital project/building fund. The certificates were paid in full during the fiscal year.

The Certificates of Participation evidence a proportionate interest in the base rent to be paid by the District under the ground lease agreement. Base rent payments were recorded as expenditures in the debt service fund. In the event of default, the District will, promptly return possession of the Project Facilities to the Foundation, and/or, at the Foundation's option, the Foundation may enter and take immediate possession of and remove any or all of the personal property constituting Project Facilities. In addition, the District will remain liable for all covenants and obligations under the agreement, and for all legal fees and other costs and expenses to the extent permitted by law.

2021 Certificates of Participation

On March 15, 2021, the District issued $48,000,000 in certificates of participation for the purpose of constructing, improving, furnishing, and equipping of school facilities, including but not limited to constructing a new high school. The maturity date for the bonds is December 1, 2050 with interest costs increasing each year from 2.00 to 4.00 percent. The certificates were issued with a premium in the amount of $3,252,007. The proceeds of the certificates issued were reported in the capital project/building fund. Payments on the certificates will be made from the debt service fund.

The following is a summary of future base rent payments for the certificates of participation:

Fiscal Year	Principal	Interest	Total
2023	$ 2,140,000	$ 1,262,913	$ 3,402,913
2024	1,435,000	1,220,112	2,655,112
2025	1,015,000	1,191,413	2,206,413
2026	1,045,000	1,160,962	2,205,962
2027	1,075,000	1,129,613	2,204,613
2028-2032	5,930,000	5,096,712	11,026,712
2033-2037	7,115,000	3,909,313	11,024,313
2038-2042	8,305,000	2,729,962	11,034,962
2043-2047	9,455,000	1,572,275	11,027,275
2048-2051	8,345,000	474,637	8,819,637
Total	$ 45,860,000	$ 19,747,912	$ 65,607,912

Leases Payable

The District has an outstanding agreement to lease copiers. The term of the lease was 60 months and commenced in July 2018. The District also has an outstanding agreement to lease computers. The term of the lease was four years and commenced in April 2021. The future lease obligations were as follows:

Fiscal Year	Principal
2023	$ 192,415
2024	134,548
Total	$ 326,963

2015 A Permanent Improvement Levy Tax Anticipation Notes

On April 14, 2015, the District issued $7,400,000 in permanent improvement levy tax anticipation notes. The source of revenue to retire the special obligation notes will be derived from voted property tax levies recorded in the permanent improvement fund. The notes will be paid from the debt service fund and have interest costs ranging from 2.00 to 3.00 percent. The notes were issued at a premium in the amount of $231,321. This amortization will be amortized over the life of the notes, on a straight-line basis. The notes have a final maturity date of December 1, 2024.

The following is a summary of future principal and interest payments for the tax anticipation notes:

Fiscal Year	Principal	Interest	Total
2023	$ 780,000	$ 56,250	$ 836,250
2024	795,000	36,525	831,525
2025	820,000	12,300	832,300
Total	$ 2,395,000	$ 105,075	$ 2,500,075

Compensated Absences

Compensated absences represent accumulated vacation and an estimated severance liability for employees both eligible to retire and those expected to become eligible in the future. The entire compensated absences balance is reported on the entity-wide financial statements. For governmental fund financial statements, the compensated absences are reported only to the extent they have matured and will be paid with current financial resources. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as fund liability.

The District pays obligations related to employee compensation from the fund benefitting from their service, except for compensated absences, which are paid from the General Fund for governmental funds.

NOTE 11 – RISK MANAGEMENT

Comprehensive

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior fiscal year.

Employee Group Life, Medical, Dental and Vision Insurance

The District provides health insurance to employees. The District pays 80% of the monthly premiums for a family plan and 85% for a single plan. The District also provides dental insurance to employees. The Board pays 80% of the monthly premiums for a family plan and 90% for a single plan.

Workers' Compensation

The District maintains an internal service "self-insurance" workers' compensation insurance fund in connection with formalized risk management programs in an effort to minimize risk exposure and control claims and premium costs. A claims liability of $101,957 at fiscal year-end in the workers' compensation self-insurance internal service fund reflects an estimate of incurred but unpaid claims liability. This liability was estimated by a third party based on claims experience. The District, effective January 1, 2014, contracted with Hunter Consulting Co. to be the third party administrator for the District's insurance program. The District has purchased stop loss coverage for individual employee claim amounts exceeding $400,000.

A summary of the changes in the self-insurance claims liability for the years ended June 30 is as follows:

	Workers' Compensation		Dental Insurance		Total	
	2022	2021	2022	2021	2022	2021
Claims Liability at July 1	$ 54,282	$ 31,850	$ 35,908	$ 1,601	$ 90,190	$ 33,451
Incurred Claims	251,213	210,402	605,222	682,408	856,435	892,810
Claims Paid	(203,538)	(187,970)	(630,640)	(648,101)	(834,178)	(836,071)
Claims Liability at June 30	$ 101,957	$ 54,282	$ 10,490	$ 35,908	$112,447	$ 90,190

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability (Asset)

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

The net pension/OPEB liability (asset) represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension 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 this estimate annually.

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

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

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

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description – District non-teaching employees participate in SERS, a statewide, cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor 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 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, may be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year 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 CPIW, 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 calendar years 2018, 2019, and 2020. SERS approved a 0.5 percent COLA for calendar year 2021.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the 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, 2022, the allocation to pension, death benefits, and Medicare B was 14.0 percent. SERS did not allocate employer contributions to the Health Care Fund for fiscal year 2022.

The District's contractually required contribution to SERS was $1,782,872 for fiscal year 2022. Of this amount, $120,482 is reported as due to other governments.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective August 1, 2017 – July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019 – July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Eligibility changes for actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit plan unfunded liability. A member is eligible to receive a monthly 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 must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate is 14 percent and the statutory member rate is 14 percent of covered payroll. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The 2022 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was $7,410,213 for fiscal year 2022. Of this amount, $853,756 is reported as due to other governments.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.31157840%	0.39944076%	
Prior Measurement Date	0.30639050%	0.39603601%	
Change in Proportionate Share	0.00518790%	0.00340475%	
Proportionate Share of the Net Pension Liability	$ 11,496,339	$ 51,072,091	$ 62,568,430
Pension Expense	$ (237,621)	$ (118,838)	$ (356,459)

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period.

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ 1,110	$ 1,577,882	$ 1,578,992
Changes of Assumptions	242,079	14,168,314	14,410,393
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	184,651	1,432,008	1,616,659
District Contributions Subsequent to the Measurement Date	1,782,872	7,410,213	9,193,085
Total Deferred Outflows of Resources	$ 2,210,712	$ 24,588,417	$ 26,799,129
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 298,146	$ 320,118	$ 618,264
Net Difference between Projected and Actual Earnings on Pension Plan Investments	5,920,951	44,014,366	49,935,317
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	21,522	1,322,298	1,343,820
Total Deferred Inflows of Resources	$ 6,240,619	$ 45,656,782	$ 51,897,401

$9,193,085 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (1,363,255)	$ (7,707,616)	$ (9,070,871)
2024	(1,224,363)	(6,026,651)	(7,251,014)
2025	(1,407,787)	(6,159,862)	(7,567,649)
2026	(1,817,374)	(8,584,449)	(10,401,823)
Total	$ (5,812,779)	$ (28,478,578)	$ (34,291,357)

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 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. Future benefits for all current plan members were projected through 2132.

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

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

Actuarial Cost Method	Entry Age Normal (Level Percentage of Payroll, Closed)
Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent, net of investment expense, including inflation
COLA or Ad Hoc COLA	2.00 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward two 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 five years and adjusted 103.3 percent for males and set forward three 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 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.

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

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

Discount Rate Total pension liability was calculated using the discount rate of 7.00 percent. The discount rate determination does not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 23-year amortization period of the unfunded actuarial accrued liability. 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 investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments was 28.18 percent.

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

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net Pension Liability	$ 19,127,085	$ 11,496,339	$ 5,060,998

Actuarial Assumptions - STRS

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

Inflation	2.50 percent
Acturial Cost Method	Entry Age Normal (Level Percent of Payroll)
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Cost-of-Living Adjustments	0.00 percent

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

The actuarial assumptions used in the June 30, 2021 valuation, were based on the results of the latest available actuarial experience study, which is for the period July 1, 2011, through June 30, 2016. 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	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

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

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes that employer and member contributions will be made at statutory contribution rates of 14 percent each. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

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

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net Pension Liability	$ 95,638,913	$ 51,072,091	$ 13,413,223

Assumption and Benefit Changes since the Prior Measurement Date The discount rate was adjusted to 7.00 percent from 7.45 percent for the June 30, 2021 valuation.

NOTE 13 - DEFINED BENEFIT OPEB PLANS

See Note 12 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2022, SERS did not allocate any employer contributions to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the District's surcharge obligation was $187,292, which is reported as due to other governments.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.31089300%	0.39944100%	
Prior Measurement Date	0.30369000%	0.39603600%	
Change in Proportionate Share	0.00720300%	0.00340500%	
Proportionate Share of the Net OPEB Liability (Asset)	$ 5,883,903	$ (8,421,886)	
OPEB Expense	$ (229,628)	$ (613,398)	$ (843,026)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ 62,719	$ 299,882	$ 362,601
Changes of Assumptions	923,045	537,951	1,460,996
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	165,128	250,454	415,582
District Contributions Subsequent to the Measurement Date	187,292	-	187,292
Total Deferred Outflows of Resources	$ 1,338,184	$ 1,088,287	$ 2,426,471
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 2,930,449	$ 1,543,047	$ 4,473,496
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	127,830	2,334,398	2,462,228
Changes of Assumptions	805,751	5,024,283	5,830,034
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	440,468	486,169	926,637
Total Deferred Inflows of Resources	$ 4,304,498	$ 9,387,897	$ 13,692,395

$187,292 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (769,644)	$ (2,325,530)	$ (3,095,174)
2024	(770,542)	(2,267,118)	(3,037,660)
2025	(716,209)	(2,351,183)	(3,067,392)
2026	(564,595)	(1,034,136)	(1,598,731)
2027	(264,638)	(329,595)	(594,233)
Thereafter	(67,978)	7,952	(60,026)
Total	$ (3,153,606)	$ (8,299,610)	$ (11,453,216)

Actuarial Assumptions - SERS

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

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

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

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

Inflation	2.40 percent
Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Municipal Bond Index Rate	
Measurement Date	1.92 percent
Prior Measurement Date	2.45 percent
Single Equivalent Interest Rate	
Measurement Date	2.27 percent, net of plan investment expense, including price inflation
Prior Measurement Date	2.63 percent, net of plan investment expense, including price inflation
Health Care Cost Trend Rate	
Pre-Medicare	6.750 percent - 4.40 percent
Medicare	5.125 percent - 4.40 percent

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward two 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 five years and adjusted 103.3 percent for males and set forward three 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 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 on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) 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 time frame. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

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

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

Sensitivity of the 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 (1.27 percent) and higher (3.27 percent) than the current discount rate (2.27 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (5.75 percent decreasing to 3.40 percent) and higher (7.75 percent decreasing to 5.40 percent) than the current rate (6.75 percent decreasing to 4.40 percent).

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	$ 7,290,870	$ 5,883,903	$ 4,759,921

	1% Decrease	Current Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	$ 4,530,125	$ 5,883,903	$ 7,692,140

Actuarial Assumptions – STRS

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

Inflation	2.50 percent	
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	
Payroll Increases	3.00 percent	
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	
Discount Rate of Return	7.00 percent	
Health Care Cost Trend Rates		
Medical	Initial	Ultimate
Pre-Medicare	5.00 percent	4.00 percent
Medicare	-16.18 percent	4.00 percent
Prescription Drug		
Pre-Medicare	6.50 percent	4.00 percent
Medicare	29.98 percent	4.00 percent

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

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

The actuarial assumptions used in the June 30, 2021 valuation were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

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

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

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

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2021. 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 those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2021.

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

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability (Asset)	$ (7,106,770)	$ (8,421,886)	$ (9,520,469)

	1% Decrease	Current Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability (Asset)	$ (9,475,955)	$ (8,421,886)	$ (7,118,434)

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

Benefit Term Changes Since the Prior Measurement Date The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.100 percent. 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.

NOTE 14 – STATUTORY RESERVES

The District is required by state law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the current fiscal year, the reserve activity was as follows:

	Captial Acquisition	Budget Stabilization
Set-aside cash balance as of July 1, 2021	$ -	$ 1,000,303
Current fiscal year set-aside requirement	1,363,990	-
Offset Credits	(5,767,068)	-
Total	(4,403,078)	1,000,303
Set-aside balance at June 30, 2022	$ -	$ 1,000,303

The District had offset credits during the year that reduced the set-aside amounts below zero for the capital acquisition reserves. This extra amount may not be used to reduce the set-aside requirement in future fiscal years. Although Senate Bill 345 eliminated the required budget stabilization set-aside effective April 10, 2001, the District has opted to maintain their designation to offset any budget deficit the District may experience in future fiscal years.

NOTE 15 – SIGNIFICANT COMMITTMENTS

Encumbrances

The District encumbers funds with purchase orders to assign funds for those purchases of goods and services. Outstanding encumbrances in the General Fund, Building Fund, and Other Governmental Funds as of fiscal year end were $2,907,691, $30,292,315, and $3,807,759, respectively.

Contractual Commitments

At June 30, 2022, the District's significant contractual commitments consisted of:

Project	Contract Amount	Amount Completed	Balance at 06/30/2022
Blacklick Athletic Complex	$ 5,874,000	$ 345,184	$ 5,528,816
Blacklick Elementary	10,414,027	3,604,909	6,809,118
High Point Elementary	11,174,559	3,131,967	8,042,592
Total Projects	$ 27,462,586	$ 7,082,060	$ 20,380,526

NOTE 16 – CONTINGENCIES

Grants - The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2022, if applicable, cannot be determined at this time.

Litigation - The District is a defendant in various lawsuits. The outcome and possible impact of these litigations is not presently determinable.

NOTE 17 – FUND BALANCE, ACCOUNTABILITY AND COMPLIANCE

Fund balances at fiscal year-end included the following individual deficits:

Other Governmental Funds	Deficit Fund Balances
ESSER	$ 45,214
IDEA-B	87,281
Title III	4,698
Title I	27,517
Title II-A	4,300
Total	$ 169,010

The GAAP basis deficit balances in the Other Governmental Funds are a result of the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

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

	General	Debt Service	Building	Other Governmental Funds	Total
Nonspendable for:					
Prepaid Assets	$ 127,085	$ -	$ -	$ -	$ 127,085
Inventory	20,426	-	-	-	20,426
Total Nonspendable	147,511	-	-	-	147,511
Restricted for:					
Building Fund	-	-	231,121,365	-	231,121,365
Debt Service	-	17,129,198	-	-	17,129,198
Food Service	-	-	-	1,921,667	1,921,667
Scholarships	-	-	-	138,775	138,775
State Funded Programs	192,385	-	-	69,693	262,078
Permanent Improvements	-	-	-	6,265,670	6,265,670
Extracurricular Activities	-	-	-	876,856	876,856
Locally Funded Programs	-	-	-	66,655	66,655
Total Restricted	192,385	17,129,198	231,121,365	9,339,316	257,782,264
Committed for:					
Health Benefits	3,505,545	-	-	-	3,505,545
Total Committed	3,505,545	-	-	-	3,505,545
Assigned for:					
Instruction	1,381,181	-	-	-	1,381,181
Support Services	1,137,402	-	-	-	1,137,402
Uniform Supplies	89,397	-	-	-	89,397
Rotary	40,317	-	-	-	40,317
Extracurricular	15,500	-	-	-	15,500
Public School Support	261,649	-	-	-	261,649
Total Assigned	2,925,446	-	-	-	2,925,446
Unassigned	52,479,418	-	-	(169,010)	52,310,408
Total Fund Balance	$ 59,250,305	$ 17,129,198	$ 231,121,365	$ 9,170,306	$ 316,671,174

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance in accordance with GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Statement of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

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

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

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

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

Net Change in Fund Balance

	General Fund
Budget Basis	$ 10,224,033
Adjustments (net):	
Severance Fund Change	(132,197)
Health Benefits	1,381,072
Teacher on Assignment Change	(13,761)
Public Support Fund Change	40,957
Rotary Fund Change	5,510
Uniform School Supplies Fund Change	(3,627)
Revenue Accruals	(5,390,422)
Expenditure Accruals	(139,709)
Encumbrances	2,852,616
Interfund Transactions	(584,403)
GAAP Basis	$ 8,240,069

With the implementation of GASB Statement No. 54, *Fund Balance Reporting*, the District's Public School Support Fund, Special Rotary Fund, and Severance Fund, no longer meet the special revenue fund type criteria for reporting in the fiscal year-end external financial statements. As such, these funds are presented as part of the District's General Fund in the year-end financial statements. The budgetary comparison information in the fiscal year-end financial statements is the legally adopted budget for the general fund, without modification for the funds no longer meeting the special revenue criteria.

NOTE 19 – COVID-19

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

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

REQUIRED SUPPLEMENTARY INFORMATION

Gahanna-Jefferson Public School District
Franklin County, Ohio
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Nine Fiscal Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
School Employee Retirement System (SERS)									
District's Proportion of the Net Pension Liability	0.3115784%	0.3063905%	0.3082324%	0.3114004%	0.3304801%	0.2984075%	0.2945631%	0.3000710%	0.3000710%
District's Proportionate Share of the Net Pension Liability	$ 11,496,339	$ 20,265,313	$ 18,442,085	$ 17,834,478	$ 19,745,456	$ 21,840,676	$ 16,808,056	$ 15,186,423	$ 17,844,261
District's Covered Payroll	$ 10,634,136	$ 10,867,857	$ 10,464,318	$ 10,488,669	$ 10,674,897	$ 9,259,397	$ 8,648,310	$ 8,025,086	$ 8,654,942
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	108.11%	186.47%	176.24%	170.04%	184.97%	235.88%	194.35%	189.24%	206.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%
State Teachers Retirement System (STRS)									
District's Proportion of the Net Pension Liability	0.39944076%	0.39603601%	0.38879934%	0.39886196%	0.41340619%	0.39767846%	0.39503147%	0.39587666%	0.39587666%
District's Proportionate Share of the Net Pension Liability	$ 51,072,091	$ 95,826,623	$ 85,980,638	$ 87,700,789	$ 98,205,527	$ 133,114,968	$ 109,175,144	$ 96,290,905	$ 114,701,095
District's Covered Payroll	$ 49,438,214	$ 48,046,950	$ 45,751,189	$ 45,496,546	$ 44,747,347	$ 42,692,134	$ 42,275,986	$ 43,138,423	$ 42,871,508
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	103.30%	199.44%	187.93%	192.76%	219.47%	311.80%	258.24%	223.21%	267.55%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.80%	75.50%	77.40%	77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Schedule of the District's Contributions - Pension
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
School Employee Retirement System (SERS)										
Contractually Required Contribution	$ 1,782,872	$ 1,488,779	$ 1,521,500	$ 1,412,683	$ 1,415,971	$ 1,494,485	$ 1,296,316	$ 1,139,847	$ 1,112,277	$ 1,197,844
Contributions in Relation to the Contractually Required Contribution	1,782,872	1,488,779	1,521,500	1,412,683	1,415,971	1,494,485	1,296,316	1,139,847	1,112,277	1,197,844
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 12,734,800	$ 10,634,136	$ 10,867,857	$ 10,464,318	$ 10,488,669	$ 10,674,897	$ 9,259,397	$ 8,648,310	$ 8,025,086	$ 8,654,942
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%	13.84%
State Teachers Retirement System (STRS)										
Contractually Required Contribution	$ 7,410,213	$ 6,921,350	$ 6,726,573	$ 6,405,166	$ 6,369,516	$ 6,264,629	$ 5,976,899	$ 5,918,638	$ 5,607,995	$ 5,573,296
Contributions in Relation to the Contractually Required Contribution	7,410,213	6,921,350	6,726,573	6,405,166	6,369,516	6,264,629	5,976,899	5,918,638	5,607,995	5,573,296
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 52,930,093	$ 49,438,214	$ 48,046,950	$ 45,751,189	$ 45,496,546	$ 44,747,347	$ 42,692,134	$ 42,276,986	$ 43,138,423	$ 42,871,508
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	13.00%

See accompanying notes to the required supplementary information.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)
Last Six Fiscal Years (1)

	2022	2021	2020	2019	2018	2017
School Employee Retirement System (SERS)						
District's Proportion of the Net OPEB Liability	0.3108930%	0.3036900%	0.3068680%	0.3114182%	0.3287591%	0.3092040%
District's Proportionate Share of the Net OPEB Liability	$ 5,883,903	$ 6,660,175	$ 7,717,080	$ 8,639,582	$ 8,823,030	$ 8,813,459
District's Covered Payroll	$ 10,634,136	$ 10,867,857	$ 10,464,318	$ 10,488,669	$ 10,674,897	$ 9,259,397
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	55.33%	61.28%	73.75%	82.37%	82.65%	95.18%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%
State Teachers Retirement System (STRS)						
District's Proportion of the Net OPEB Liability (Asset)	0.39944100%	0.39603600%	0.38879900%	0.39886196%	0.41340619%	0.39767846%
District's Proportionate Share of the Net OPEB Liability (Asset)	$ (8,421,886)	$ (6,960,325)	$ (6,439,445)	$ (6,409,305)	$ 16,129,585	$ 21,267,946
District's Covered Payroll	$ 49,438,214	$ 48,046,950	$ 45,751,189	$ 45,496,546	$ 44,747,347	$ 42,692,134
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-17.04%	-14.49%	-14.07%	-14.09%	36.05%	49.82%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	174.73%	182.10%	174.70%	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Schedule of the District's Contributions - OPEB
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
School Employee Retirement System (SERS)										
Contractually Required Contribution (1)	$ 187,292	$ 151,770	$ 127,693	$ 197,399	$ 201,089	$ 148,645	$ 151,648	$ 201,623	$ 129,245	$ 139,245
Contributions in Relation to the Contractually Required Contribution	187,292	151,770	127,693	197,399	201,089	148,645	151,648	201,623	129,245	139,245
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 12,734,800	$ 10,634,136	$ 10,867,857	$ 10,464,318	$ 10,488,669	$ 10,674,897	$ 9,259,397	$ 8,648,310	$ 8,025,086	$ 8,654,942
Contributions as a Percentage of Covered Payroll	1.47%	1.43%	1.17%	1.89%	1.92%	1.39%	1.64%	2.33%	1.61%	1.61%
State Teachers Retirement System (STRS)										
Contractually Required Contribution (1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 431,384	$ 428,715
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-	-	-	-	431,384	428,715
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 52,930,093	$ 49,438,214	$ 48,046,950	$ 45,751,189	$ 45,496,546	$ 44,747,347	$ 42,692,134	$ 42,275,986	$ 43,138,423	$ 42,871,508
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

(1) Includes Surcharge

See accompanying notes to the required supplementary information.

NOTE 1 - NET PENSION LIABILITY

There were no changes in assumptions or benefit terms for the fiscal years reported unless otherwise stated below:

Changes in Assumptions - SERS

For fiscal year 2021, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.00 percent to 2.40 percent
- Payroll growth assumption was reduced from 3.50 percent to 1.75 percent
- Assumed real wage growth was reduced from 0.50 percent to 0.85 percent
- Discount rate was reduced from 7.50 percent to 7.00 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For fiscal year 2017, the SERS Board adopted the following assumption changes:

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

Changes in Benefit Terms - SERS

For fiscal year 2021, cost-of-living adjustments was reduced from 2.50 percent to 2.00 percent.

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Changes in Assumptions – STRS

For fiscal year 2021, the long term expected rate of return was reduced from 7.45 percent to 7.00 percent.

For fiscal year 2018, the Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Changes in Benefit Terms - STRS

For fiscal year 2018, the cost-of-living adjustment (COLA) was reduced to zero.

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions – SERS

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 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 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

Pre-Medicare Trend Assumption

Fiscal year 2022	6.75 percent initially, decreasing to 4.40 percent
Fiscal year 2021	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2020	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2019	7.25 percent initially, decreasing to 4.75 percent
Fiscal year 2018	7.50 percent initially, decreasing to 4.00 percent

Medicare Trend Assumption

Fiscal year 2022	5.125 percent initially, decreasing to 4.40 percent
Fiscal year 2021	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2020	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2019	5.375 percent initially, decreasing to 4.75 percent
Fiscal year 2018	5.50 percent initially, decreasing to 5.00 percent

Changes in Benefit Terms - SERS

There have been no changes to the benefit provisions.

Changes in Assumptions – STRS

For fiscal year 2021, valuation year per capita health care costs were updated. Health care cost trend rates ranged from -5.20 percent to 9.60 percent initially for fiscal year 2020 and changed for fiscal year 2021 to a range of -6.69 percent to 11.87 percent, initially.

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 percent. Valuation year per capita health care costs were updated. Health care cost trend rates ranged from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate for fiscal year 2018 and changed for fiscal year 2019 to a range of -5.20 percent to 9.60 percent, initially and a 4.00 ultimate rate.

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 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.

Changes in Benefit Terms – STRS

For fiscal year 2021, there were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 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 .1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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 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 will be discontinued beginning January 1, 2020.

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 will be discontinued beginning January 2019. This was subsequently extended, see above paragraph.

Rea & associates a brighter way

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

To the Board of Education
Gahanna-Jefferson Public School District
Franklin County, Ohio
160 South Hamilton Road
Gahanna, OH 43230

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 Gahanna-Jefferson Public School District, Franklin County, Ohio (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 27, 2023.

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 purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea & Associates, Inc.

Rea & Associates, Inc.
Gahanna, Ohio
February 27, 2023

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

To the Board of Education
Gahanna-Jefferson Public School District
Franklin County, Ohio
160 South Hamilton Road
Gahanna, OH 43230

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Gahanna-Jefferson Public School District's (the "District"), Franklin County, Ohio, compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each 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 each major federal program. 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

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 Responsibility 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 each major federal program as a whole.

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

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

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

Other Matters

The results of our auditing procedures disclosed an other instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Rea & Associates, Inc.

Rea & Associates, Inc.
Gahanna, Ohio
February 27, 2023

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Grant Number	Federal Disbursements	Amount Paid to Subrecipients
U. S. Department of Education:				
(Passed Through Ohio Department of Education)				
Title I Grants to Local Educational Agencies	84.010A	2021	$ 136,796	$ -
Title I Grants to Local Educational Agencies	84.010A	2022	989,245	-
Total Title I Grants to Local Educational Agencies			1,126,041	-
Special Education Cluster:				
Special Education Grants to States	84.027A	2021	183,444	-
Special Education Grants to States-Restoration	84.027A	2021	3,212	-
Special Education Grants to States	84.027A	2022	1,989,605	-
COVID-19 Special Education Grants to States-ARP	84.027X	2022	54,271	-
Total Special Education Grants to States			2,230,532	-
Special Education Preschool Grants	84.173A	2022	39,619	-
COVID-19 Special Education Preschool Grants - ARP	84.173X	2022	2,282	-
Total Special Education Preschool			41,901	-
Total Special Education Cluster:			2,272,433	-
English Language Acquisition State Grants	84.365A	2021	1,852	-
English Language Acquisition State Grants	84.365A	2022	73,028	-
Total English Language Acquisition State Grants			74,880	-
Improving Teacher Quality State Grants	84.367A	2021	8,398	-
Improving Teacher Quality State Grants	84.367A	2022	61,228	-
Total Improving Teacher Quality State Grants			69,626	-
Student Support and Academic Enrichment Program	84.424A	2022	107,696	-
Education Stabilization Fund				
COVID-19 (ESSER)	84.425D	2022	95,533	-
COVID-19 (ESSER II)	84.425D	2022	943,128	-
COVID-19 (ARP ESSER)	84.425U	2022	852,078	-
Total Education Stabilization Fund			1,890,739	-
Total U.S. Department of Education			5,541,415	-
Federal Communications Commission (Direct)				
COVID-19 - Emergency Connectivity Fund Program	32.009	2022	25,576	-
U. S. Department of Agriculture:				
(Passed Through Ohio Department of Education)				
Child Nutrition Cluster				
Non-Cash Assistance:				
School Breakfast Program	10.553	2022	56,188	-
Cash Assistance:				
School Breakfast Program	10.553	2022	494,329	-
Total School Breakfast Program			550,517	-
Non-Cash Assistance:				
National School Lunch Program	10.555	2022	255,714	-
Cash Assistance:				
National School Lunch Program	10.555	2022	2,249,724	-
COVID-19 National School Lunch Program	10.555	2022	229,282	-
Total National School Lunch Program			2,734,720	-
Total Child Nutrition Cluster			3,285,237	-
Total U.S. Department of Agriculture			3,285,237	-
Total Federal Assistance			$ 8,852,228	$ -

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

The District has elected to not 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 entitlement value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
June 30, 2022

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)?	None Reported
(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?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified – Child Nutrition Cluster (AL #s 10.553 and 10.555) Unmodified – COVID-19 Education Stabilization Fund (AL #s 84.425D and 84.425U)
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list): Child Nutrition Cluster COVID-19, Education Stabilization Fund	Assistance Listing # 10.553/10.555 84.425D/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 were noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number: 2022-001

Federal Program: Child Nutrition Cluster
Federal Award Identification Number and Year: N/A, 2022
Assistance Listing Number (ALN): 10.553, 10.555
Federal Awarding Agency: U.S. Department of Agriculture
Compliance Requirement: Reporting
Pass-through Entity: Ohio Department of Education
Repeat Finding: No

Significant Deficiency and Noncompliance – Reporting Claims for Reimbursement

Criteria: The District shall establish internal controls which ensure the accuracy of meal counts prior to the submission of the monthly Claim for Reimbursement. At a minimum, these internal controls shall include: an on-site review of the meal counting and claiming system employed by each school within the jurisdiction of the school food authority; comparisons of daily free, reduced price and paid meal counts against data which will assist in the identification of meal counts in excess of the number of free, reduced price and paid meals served each day to children eligible for such meals; and a system for following up on those meal counts which suggest the likelihood of meal counting problems. (7 CFR 210.8)

Condition: The District did not properly report the total meals served on its Claims for Reimbursement for two months during the year.

Questioned Costs: None.

Identification of How Questioned Costs Were Computed: N/A

Context: A sample of two months for each of the District's 11 schools was tested. The total amount of meals served was under-reported for two schools tested during two months of fiscal year 2022. For October 2021, Blacklick Elementary was under-reported by 37 lunches. For February 2022, Jefferson Elementary was under-reported by 274 lunches and 96 breakfasts.

For February 2022, Goshen Lane Elementary was over-reported by 215 lunches served.

Cause and Effect: The District did not have procedures in place to review and reconcile system-generated reports to the CRRS System. As a result, the District improperly reported meals served during fiscal year 2022, both under- and over-reporting its count of meals served.

Recommendation: We recommend that the District implement processes and procedures to review and reconcile system-generated reports to daily totals for meals served.

Views of Responsible Officials and Corrective Action Plan: See Corrective Action Plan.

Gahanna-Jefferson Public Schools
160 South Hamilton Road Gahanna, OH 43230 (614) 471-7065 www.GahannaSchools.org
J. Scott Gooding II, Treasurer/CFO

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
June 30, 2022

Finding Number:	2022-001
Planned Corrective Action:	Accurate count of student meals
Anticipated Completion Date:	08/01/2022 – implementation date
Responsible Contact Person:	Megan Schweller, Food Service Supervisor
Action Plan:	To ensure accurate daily meal counts and recordkeeping, Infinite Campus, a new Point of Sale System, has been implemented into the Food Service Department, effective 08/01/2022. This system streamlines a more effective transaction process, as well as enables the department to better retain transaction histories on a daily, monthly, and yearly basis. Daily counts are recorded electronically through the system, thus eliminating the manual counting of student meals.

Summary Schedule of Prior Audit Findings
June 30, 2022

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2021-001	Material weakness and noncompliance – Timely submission of Final Expenditure Report and accuracy of reporting	Yes	Fully corrected.
2021-002	Noncompliance – Unallowable costs charged to grant	Yes	Fully corrected.

OHIO AUDITOR OF STATE
KEITH FABER

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 5/11/2023

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