OBERLIN CITY SCHOOL DISTRICT

LORAIN COUNTY, OHIO

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

Julian & Grube
Serving Ohio Local Governments

OHIO AUDITOR OF STATE
KEITH FABER

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Members of the Board of Education
Oberlin City School District
153 North Main Street
Oberlin, Ohio 44074

We have reviewed the *Independent Auditor's Report* of Oberlin City School District, Lorain County, prepared by Julian & Grube, 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. Oberlin City School District is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

March 08, 2023

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OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

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Independent Auditor's Report

Oberlin City School District
Lorain County
153 North Main Street
Oberlin, Ohio 44074

To the Members of the Board of Education:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Oberlin City School District, as of June 30, 2022, and the respective changes in financial position, thereof and the budgetary comparison for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As described in Note 19 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Oberlin City School District. Our opinions are not modified with respect to this matter.

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 Oberlin City School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 Oberlin City School District's internal control. Accordingly, no such opinion is expressed.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Oberlin City School District's basic financial statements. The accompanying 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2023 on our consideration of the Oberlin City School 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 Oberlin City School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Oberlin City School District's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
January 20, 2023

OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

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

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

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2022 are:

- In total, net position increased by $5,957,298 from June 30, 2021's net position.
- Revenues for governmental activities totaled $22,068,666 in fiscal year 2022. Of this total, 84.30% consisted of general revenues while program revenues accounted for the remaining balance of 15.70%.
- Program expenses totaled $16,111,368. Instructional expenses made up 55.74% of this total while supporting services accounted for 34.19%. Other expenses rounded out the remaining 10.07%.

USING THIS ANNUAL FINANCIAL REPORT

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

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements explain how services were financed in the short-term, as well as what remains for future spending. The fund financial statements also look at the District's most significant funds, with all other nonmajor funds presented in total in one column. In the case of the District, the General Fund and Building Fund are by far the most significant funds.

REPORTING THE DISTRICT AS A WHOLE

Statement of Net Position and Statement of Activities

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

In the Statement of Net Position and Statement of Activities, the District reports governmental activities. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, instruction, supporting services, operation and maintenance of plant, pupil transportation, food service operations, and extracurricular activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the District's major funds begins on page 10 of the financial statements. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund and Building Fund.

Governmental Funds

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

Reporting the District's Fiduciary Responsibilities

The District acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in the agency fund. All of the District's fiduciary activities are reported in the separate statement of fiduciary assets and liabilities. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position at June 30, 2022 compared to June 30, 2021.

(Table 1)
Net Position

	Governmental Activities	
	2022	2021
Current and other assets	$ 30,935,781	$ 33,085,034
Net OPEB asset	1,137,900	964,612
Capital assets	21,091,990	17,560,254
Total assets	53,165,671	51,609,900
Deferred outflows:		
Pensions	3,627,623	3,045,327
OPEB	454,187	542,174
Total Deferred Outflows of Resources	4,081,810	3,587,501
Liabilities:		
Current liabilities	4,784,296	7,154,571
Long term liabilities:		
Due within one year:	852,836	985,142
Due in more than one year:		
Net Pension Liability	9,286,963	17,499,106
Net OPEB Liability	1,241,880	1,430,995
Other Amounts	13,282,794	14,153,388
Total Liabilities	29,448,769	41,223,202
Deferred inflows:		
Property Taxes	8,357,453	7,842,432
Pensions	7,571,823	334,348
OPEB	2,143,202	2,028,483
Total Deferred Inflows of Resources	18,072,478	10,205,263
Net position:		
Net investment in capital assets	6,342,896	3,693,388
Restricted	3,058,404	4,189,886
Unrestricted (deficit)	324,934	(4,114,338)
Total net position	$ 9,726,234	3,768,936

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

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

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

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

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

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

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

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

The net pension liability decreased $8,212,143 or 46.93% and deferred inflows of resources related to pension increased $7,237,475 or 2,164.65%. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Net investment income on investments at both pension systems exceeded estimates for the fiscal year 2021 measurement that are used for the fiscal year 2022 reporting which caused a large increase in their respective fiduciary net positions.

Table 2 shows the changes in net position for fiscal year 2022 and 2021. The table below shows the change in net position for fiscal years 2022 and 2021.

(Table 2)
Changes in Net Position

	Governmental Activities	
Revenues	2022	2021
Program revenues		
Charges for services	$ 545,702	$ 593,235
Operating grants	2,919,882	2,207,433
Total program revenues	3,465,584	2,800,668
General revenues		
Property taxes	8,872,683	8,865,216
School District Income Taxes	5,764,290	5,474,679
Grants and entitlements	4,204,602	4,153,036
Payment in lieu of taxes	57,293	52,116
Investment income	(321,727)	63,277
All Other Revenues	25,941	250,964
Total general revenues	18,603,082	18,859,288
Total revenues	$ 22,068,666	$ 21,659,956

(Continued)

	Governmental Activities	
	2022	2021
Expenses		
Instruction		
Regular	6,658,500	8,153,422
Special	2,319,280	2,508,674
Vocational	82	816
Other	2,021	2,935
Support services		
Pupil	887,183	926,172
Instructional staff	571,675	839,128
Board of Education	120,614	83,378
Administration	1,333,806	1,530,302
Fiscal	484,985	721,541
Business	163,043	168,149
Operations & maintenance	1,548,512	1,322,934
Pupil transportation	322,984	329,930
Central services	75,721	100,261
Other non-instructional services	689,285	510,420
Extracurricular activities	535,773	543,827
Interest and fiscal charges	397,904	434,441
Total expenses	$ 16,111,368	$ 18,176,330
Change in net position	5,957,298	3,483,626
Net position, beginning of year	3,768,936	285,310
Net position, end of year	$ 9,726,234	$ 3,768,936

Governmental Activities

The vast majority of revenue supporting all governmental activities is from general revenues. General revenues totaled $18,603,082, or 84.30% of the total revenue. The most significant portions of the general revenues are property taxes, school district income taxes and unrestricted grants and entitlements. The remaining amount of revenue was in the form of program revenues, which equated to $3,465,584 or only 15.70%.

The District has carefully planned its financial future by forecasting its revenues and expenditures over the next five years. In October 2022, the District submitted its yearly five-year forecast to the Ohio Department of Education. There is a great deal of uncertainty with the State and school funding. Although the District relies heavily upon local property taxes to support its operations, the District does actively solicit and receive additional grant and entitlement funds to help offset some operating costs.

The reliance upon local tax revenues for governmental activities is crucial 66.32% of revenue is from property and school income taxes. Grants and entitlements not restricted for a specific program comprise 19.05%. Program revenues make up 15.70% of all governmental revenues, while payments in lieu of taxes, investment income, and other miscellaneous type revenues comprise the remaining (1.07)%.

Clearly, the Oberlin community is by far the greatest source of financial support for the students of the District.

Overall, expenses of the governmental activities decreased $2,064,962 or 11.36%. This decrease is primarily the result of a decrease in regular instruction. Instruction and support services expenditures decreased. This decrease is primarily the result of a decrease in pension expense. Pension expense decreased approximately $2,203,427. This decrease was the result of a decrease in expenses incurred at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) due to an increase in net investment income on investments compared to previous years.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements. An analysis of fiscal year 2022 is presented below.

(Table 3)

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
Program expenses				
Instruction	$ 8,979,883	$ 10,665,847	$ 6,731,535	$ 8,756,118
Support services				
Pupils and Instructional staff	1,458,858	1,765,300	1,011,786	1,400,449
Board of Education	120,614	83,378	120,614	67,755
Administration	1,333,806	1,530,302	1,320,886	1,525,863
Fiscal	484,985	721,541	484,985	721,541
Business	163,043	168,149	163,043	168,149
Operations & maintenance	1,548,512	1,322,934	1,547,282	1,322,934
Pupil Transportation	322,984	329,930	291,284	325,031
Central	75,721	100,261	66,057	91,202
Other non-instructional services	689,285	510,420	44,130	31,329
Extracurricular activities	535,773	543,827	466,278	530,850
Interest and fiscal charges	397,904	434,441	397,904	434,441
Total cost of service	$ 16,111,368	$ 18,176,330	$ 12,645,784	$ 15,375,662

The District's Funds

Information regarding the District's funds can be found on pages 15-19. These funds are accounted for using the modified accrual basis of accounting. The District's major funds are the General Fund and the Building Fund. The General Fund had an increase in fund balance of $2,173,502. This increase was mainly due to increases in income tax and property tax. The General Fund's fund balance increased from $10,098,020 to $12,271,522.

The Building Fund had a decrease in fund balance of $2,941,142. The decrease is primarily due to expenditures related to facilities acquisition and construction.

General Fund Budgeting Highlights

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

During the course of fiscal year 2022, the District's General Fund budget remained relatively constant. The original and final budgeted revenues and other financing sources were $17,807,790. Actual revenues were less than final budgeted revenues by $1,441,187. The original and final budgeted expenditures and other financing uses were $16,292,742. The actual expenditures and other financing uses were $1,747,234 lower than the final budgeted expenditures and other financing uses. The District uses a modified site-based budgeting technique which is designed to tightly control total site budgets but provide flexibility for site management.

The District ended the school year with a General Fund unencumbered cash balance of $10,845,988.

Capital Assets

At the end of fiscal year 2022, the District had $21,091,990 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use assets. The table below shows June 30, 2022 balances compared to June 30, 2021. The capital assets at June 30, 2021 have been restated as described in Note 3.

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

	Governmental Activities	
	2022	Restated 2021
Land	$ 2,279,070	$ 2,279,070
Construction in progress	185,256	12,926,461
Land improvements	1,077,958	85,580
Building and improvements	16,787,302	1,720,851
Furniture and equipment	362,764	306,875
Vehicles	395,749	241,417
Intangible right to use assets	3,891	5,501
Total	$ 21,091,990	$ 17,565,755

During fiscal year 2022, the District purchased $4,180,704 of capital assets, which included various capital improvements to the District's buildings, furniture and equipment. The overall decrease in capital assets is due to capital outlays of $4,180,704 exceeding depreciation/amortization and disposals of $865,869. For more information about the District's capital assets, see Note 9.

Debt

At June 30, 2022, the District had $12,765,000 in general obligation bonds and $3,551 in leases payable outstanding at June 30, 2022. Of this amount, $736,983 was due within one year. Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the District has reported obligations for leases payable.

See Note 14 for detail on long-term obligations.

Economic Factors

The District has a good financial position. The Board of Education and the administration closely monitor the District's revenues and expenditures in accordance with its financial forecast and the District's Continuous Improvement Plan. The District relies heavily upon real estate taxes, school district income taxes and state funding as sources of revenue. The District passed a 4.80 mill bond issue for $17,760,000 in November 2018 to build a PK-5 elementary building. The District opened the new Oberlin Elementary School in August of 2021. The District maintained a rating of Aa2 from Moody's Investors Service in February 2022. In March the District issued notes at $2,500,000 in School Improvement Notes, Series 2022.

The District's financial future is not without challenges. The nature of school funding in Ohio severely restricts the growth in the District's operating revenues and requires the District to periodically seek additional funds from the taxpayers to offset rising operating costs. The Oberlin voters continue to show their support for the schools as illustrated with the passage of new and replacement levies. In light of the current economic circumstances and continued uncertainty relative to Covid Pandemic and foundation funding from the State, the District should not face operating funding challenges over the next three years. The District will be trying to fund a new 6-12 building over the next five years. The District is monitoring all funding scenarios. In addition to the problem of limited growth in revenue, school districts are faced with the challenge of losing traditional sources of tax revenue through the Ohio General Assembly legislative actions. In June 1999, the Ohio General Assembly passed House Bill 284 that will phase-out, over a period of 25 years, the taxation on business inventories. In June 2005, the General Assembly accelerated the phase-out of the inventory tax with HB 66. This tax has been completely phased out. Financial aid from the State of Ohio through the State Foundation Program has been declining as a major source of operating revenue for the District. Because the District is considered a wealthy district in terms of property values, it receives a relatively small amount of revenue from the State to fund operating expenses. As a result of the challenges mentioned above, the District's administration continues to carefully plan its expenditures to provide adequate resources to meet student needs over the next several years.

The Ohio Department of Education's 2021 released the District's State Report Card contains six components, Achievement, Gap Closing, K-3 Literacy, Progress, Graduation Rate and Prepared for Success. Oberlin City schools received a "NR" due to the Covid shut down in March, 2020. During the 2020-2021 school year the district used a hybrid plan where some students attended and most were remote for half of the year. We opened the 2021-2022 school year with most students attending and offered a virtual option also.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Robert Rinehart, Treasurer/CFO at Oberlin City School District, 153 N. Main Street, Oberlin, Ohio 44074.

OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2022

		Governmental Activities
Assets:		
Equity in pooled cash and cash equivalents	$	15,688,439
Receivables:		
Property taxes		11,969,855
Income taxes		2,944,007
Accounts		5,738
Accrued interest		19,336
Intergovernmental		284,015
Prepayments		16,205
Materials and supplies inventory		3,467
Inventory held for resale		4,719
Net OPEB asset		1,137,900
Capital assets:		
Nondepreciable capital assets		2,464,326
Depreciable capital assets, net		18,627,664
Capital assets, net		21,091,990
Total assets		53,165,671
Deferred outflows of resources:		
Pension		3,627,623
OPEB		454,187
Total deferred outflows of resources		4,081,810
Liabilities:		
Accounts payable		24,758
Contracts payable		80,997
Retainage payable		104,259
Accrued wages and benefits payable		1,635,114
Intergovernmental payable		85,111
Pension and postemployment benefit payable		258,469
Accrued interest payable		95,588
Notes payable		2,500,000
Long-term liabilities:		
Due within one year		852,836
Due in more than one year:		
Net pension liability		9,286,963
Net OPEB liability		1,241,880
Other amounts due in more than one year		13,282,794
Total liabilities		29,448,769
Deferred inflows of resources:		
Property taxes levied for the next fiscal year		8,357,453
Pension		7,571,823
OPEB		2,143,202
Total deferred inflows of resources		18,072,478
Net position:		
Net investment in capital assets		6,342,896
Restricted for:		
Capital projects		1,716,549
Debt service		756,265
Federally funded programs		2,197
Food service operations		14,965
Extracurricular programs		37,898
Other purposes		530,530
Unrestricted (deficit)		324,934
Total net position	$	9,726,234

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

OBERLIN CITY SCHOOL DISTRICT
LORAIN 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	$ 6,658,500	$ 362,040	$ 596,272	$ (5,700,188)
Special	2,319,280	75,457	1,211,115	(1,032,708)
Vocational	82	-	-	(82)
Other	2,021	-	3,464	1,443
Support services:				
Pupil	887,183	-	294,453	(592,730)
Instructional staff	571,675	-	152,619	(419,056)
Board of education	120,614	-	-	(120,614)
Administration	1,333,806	-	12,920	(1,320,886)
Fiscal	484,985	-	-	(484,985)
Business	163,043	-	-	(163,043)
Operations and maintenance	1,548,512	1,230	-	(1,547,282)
Pupil transportation	322,984	22,194	9,506	(291,284)
Central	75,721	-	9,664	(66,057)
Operation of non-instructional services:				
Food service operations	506,925	15,437	550,976	59,488
Other non-instructional services	182,360	-	78,742	(103,618)
Extracurricular activities	535,773	69,344	151	(466,278)
Interest and fiscal charges	397,904	-	-	(397,904)
Totals	$ 16,111,368	$ 545,702	$ 2,919,882	(12,645,784)
		General revenues:		
		Property taxes levied for:		
		General purposes		6,870,833
		Debt service		1,253,773
		Capital outlay		486,031
		Other purposes		262,046
		Payments in lieu of taxes		57,293
		Income taxes levied for:		
		General purposes		5,764,290
		Grants and entitlements not restricted to specific programs		4,204,602
		Investment earnings		(321,727)
		Miscellaneous		25,941
		Total general revenues		18,603,082
		Change in net position		5,957,298
		Net position at beginning of year		3,768,936
		Net position at end of year		$ 9,726,234

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Building	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	$ 10,448,084	$ 3,385,189	$ 1,855,166	$ 15,688,439
Receivables:				
Property taxes	9,549,195	-	2,420,660	11,969,855
Income taxes	2,944,007	-	-	2,944,007
Accounts	5,738	-	-	5,738
Accrued interest	19,044	292	-	19,336
Intergovernmental	2,414	-	281,601	284,015
Prepayments	16,205	-	-	16,205
Materials and supplies inventory	-	-	3,467	3,467
Inventory held for resale	-	-	4,719	4,719
Due from other funds	180,985	-	-	180,985
Loans to other funds	226	-	-	226
Total assets	$ 23,165,898	$ 3,385,481	$ 4,565,613	$ 31,116,992
Liabilities:				
Accounts payable	$ 18,463	$ 450	$ 5,845	$ 24,758
Contracts payable	-	80,997	-	80,997
Retainage payable	-	104,259	-	104,259
Accrued wages and benefits payable	1,357,094	-	278,020	1,635,114
Compensated absences payable	15,137	-	-	15,137
Intergovernmental payable	81,432	-	3,679	85,111
Pension obligation payable	220,856	-	37,613	258,469
Due to other funds	-	-	180,985	180,985
Notes payable	-	2,500,000	-	2,500,000
Loans from other funds	-	-	226	226
Total liabilities	1,692,982	2,685,706	506,368	4,885,056
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	6,564,181	-	1,793,272	8,357,453
Delinquent property tax revenue not available	2,234,116	-	412,770	2,646,886
Income tax revenue not available	394,626	-	-	394,626
Intergovernmental revenue not available	2,414	-	13,403	15,817
Accrued interest not available	6,057	37	-	6,094
Total deferred inflows of resources	9,201,394	37	2,219,445	11,420,876
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	3,467	3,467
Prepaids	16,205	-	-	16,205
Restricted:				
Debt service	-	-	641,552	641,552
Capital projects	-	699,738	870,665	1,570,403
Food service operations	-	-	15,140	15,140
Federally funded programs	-	-	2,197	2,197
Extracurricular programs	-	-	37,898	37,898
Educational technology	-	-	155,240	155,240
Other purposes	-	-	318,913	318,913
Assigned:				
Student instruction	110	-	-	110
Student and staff support	66,595	-	-	66,595
Facilities acquisition and construction	20,050	-	-	20,050
Other purposes	1,138	-	-	1,138
Unassigned (deficit)	12,167,424	-	(205,272)	11,962,152
Total fund balances	12,271,522	699,738	1,839,800	14,811,060
Total liabilities, deferred inflows and fund balances	$ 23,165,898	$ 3,385,481	$ 4,565,613	$ 31,116,992

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

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

Total governmental fund balances		$ 14,811,060
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		21,091,990
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 2,646,886	
Income taxes receivable	394,626	
Accrued interest receivable	6,094	
Intergovernmental receivable	15,817	
Total		3,063,423
Unamortized premiums on bonds issued are not recognized in the funds.		(400,112)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(95,588)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	3,627,623	
Deferred inflows - pension	(7,571,823)	
Net pension liability	(9,286,963)	
Deferred outflows - OPEB	454,187	
Deferred inflows - OPEB	(2,143,202)	
Net OPEB asset	1,137,900	
Net OPEB liability	(1,241,880)	
Total		(15,024,158)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(12,765,000)	
Leases payable	(3,551)	
Compensated absences	(951,830)	
Total		(13,720,381)
Net position of governmental activities		$ 9,726,234

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

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

	General	Building	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 6,188,484	$ -	$ 1,832,861	$ 8,021,345
Income taxes	5,759,454	-	-	5,759,454
Intergovernmental	4,353,778	-	2,248,328	6,602,106
Investment earnings	(314,620)	(11,220)	-	(325,840)
Tuition and fees	459,691	-	-	459,691
Extracurricular	-	-	69,344	69,344
Rental income	1,230	-	-	1,230
Charges for services	-	-	15,437	15,437
Contributions and donations	-	-	181,613	181,613
Payment in lieu of taxes	57,293	-	-	57,293
Miscellaneous	25,941	291,255	82,414	399,610
Total revenues	16,531,251	280,035	4,429,997	21,241,283
Expenditures:				
Current:				
Instruction:				
Regular	6,585,949	-	739,220	7,325,169
Special	1,652,647	-	956,627	2,609,274
Vocational	82	-	-	82
Other	-	-	2,021	2,021
Support services:				
Pupil	815,377	-	194,935	1,010,312
Instructional staff	461,602	-	194,011	655,613
Board of education	114,377	-	-	114,377
Administration	1,466,812	-	10,386	1,477,198
Fiscal	529,195	831	26,568	556,594
Business	239,598	-	-	239,598
Operations and maintenance	1,292,654	-	180,491	1,473,145
Pupil transportation	528,059	-	6,934	534,993
Central	68,079	-	7,888	75,967
Operation of non-instructional services:				
Food service operations	-	-	529,084	529,084
Other non-instructional services	4,153	-	187,656	191,809
Extracurricular activities	540,612	-	74,753	615,365
Facilities acquisition and construction	38,900	3,670,346	3,675	3,712,921
Debt service:				
Principal retirement	1,950	-	813,384	815,334
Interest and fiscal charges	203	-	407,561	407,764
Note issuance costs	-	-	7,376	7,376
Total expenditures	14,340,249	3,671,177	4,342,570	22,353,996
Excess (deficiency) of revenues over (under) expenditures	2,191,002	(3,391,142)	87,427	(1,112,713)
Other financing sources (uses):				
Premium on notes	-	-	8,550	8,550
Transfers in	-	450,000	17,500	467,500
Transfers (out)	(17,500)	-	(450,000)	(467,500)
Total other financing sources (uses)	(17,500)	450,000	(423,950)	8,550
Net change in fund balances	2,173,502	(2,941,142)	(336,523)	(1,104,163)
Fund balances at beginning of year	10,098,020	3,640,880	2,176,323	15,915,223
Fund balances at end of year	$ 12,271,522	$ 699,738	$ 1,839,800	$ 14,811,060

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

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

Net change in fund balances - total governmental funds		$ (1,104,163)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital asset additions	$ 4,180,704	
Current year depreciation/amortization	(445,779)	
Total		3,734,925
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(208,690)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	851,338	
Income taxes	4,836	
Earnings on investments	4,113	
Intergovernmental	(30,490)	
Total		829,797
Repayment of bonds, leases and notes payable are expenditures in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		815,334
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Change in accrued interest payable	(6,187)	
Amortization of bond premiums	14,873	
Total		8,686
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,370,627	
OPEB	41,036	
Total		1,411,663
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	186,337	
OPEB	118,661	
Total		304,998
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		164,748
Change in net position of governmental activities		$ 5,957,298

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property taxes	$ 6,606,016	$ 5,810,000	$ 6,299,516	$ 489,516
Income taxes	5,343,937	4,700,000	5,066,047	366,047
Intergovernmental	4,730,521	4,160,500	4,257,209	96,709
Investment earnings	125,071	100,000	69,871	(30,129)
Tuition and fees	820,352	721,500	453,953	(267,547)
Rental income	-	10,000	1,230	(8,770)
Contributions and donations	2,274	2,000	-	(2,000)
Payment in lieu of taxes	57,293	57,293	57,293	-
Miscellaneous	72,326	56,707	116,971	60,264
Total revenues	17,757,790	15,618,000	16,322,090	704,090
Expenditures:				
Current:				
Instruction:				
Regular	7,905,531	7,744,567	6,770,128	974,439
Special	1,532,391	1,479,105	1,648,205	(169,100)
Vocational	22,464	20,986	-	20,986
Support services:				
Pupil	891,086	865,712	805,920	59,792
Instructional staff	653,606	634,853	476,055	158,798
Board of education	135,856	140,169	109,639	30,530
Administration	1,659,689	1,592,962	1,487,524	105,438
Fiscal	677,140	634,260	532,320	101,940
Business	169,018	222,043	240,357	(18,314)
Operations and maintenance	1,231,261	1,420,557	1,283,838	136,719
Pupil transportation	382,964	585,087	514,681	70,406
Central	106,438	123,716	70,657	53,059
Operation of non-instructional services:				
Other non-instructional services	-	5,866	2,667	3,199
Extracurricular activities	536,470	502,059	527,067	(25,008)
Facilities acquisition and construction	288,828	220,800	58,950	161,850
Total expenditures	16,192,742	16,192,742	14,528,008	1,664,734
Excess (deficiency) of revenues over (under) expenditures	1,565,048	(574,742)	1,794,082	2,368,824
Other financing sources (uses):				
Refund of prior year's expenditures	50,000	50,000	37,574	(12,426)
Transfers (out)	(100,000)	(100,000)	(17,500)	82,500
Sale of capital assets	-	2,139,790	6,939	(2,132,851)
Total other financing sources (uses)	(50,000)	2,089,790	27,013	(2,062,777)
Net change in fund balance	1,515,048	1,515,048	1,821,095	306,047
Fund balance at beginning of year	8,719,679	8,719,679	8,719,679	-
Prior year encumbrances appropriated	305,214	305,214	305,214	-
Fund balance at end of year	$ 10,539,941	$ 10,539,941	$ 10,845,988	$ 306,047

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE 1 - DESCRIPTION OF THE DISTRICT

The Oberlin City School District (the "District") was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a city school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under a Board of Education consisting of five members and is responsible for providing public education to residents of the District. Average daily membership for fiscal year 2022 was 842. The District employs 102 certified and 70 noncertified employees.

A. The Reporting Entity

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the 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;

2. The District is legally entitled to or can otherwise access the organizations' resources;

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 or 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.

Blended component units, although legally separated entities are, in substance, part of the District's operations and so data from these units are combined with data of the District. The District has no component units.

The District is associated with the Metropolitan Educational Technology Association (META) Solutions, the Lorain County Joint Vocational School District, and the Ohio Schools Council which are considered to be jointly governed organizations. These organizations and their relationships with the District are described in more detail in Note 17 to these financial statements. Effective July 1, 2011, the District entered into the Suburban Health Consortium which is considered a shared health risk pool. A further description of this shared health risk pool is provided in Note 21 to the financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

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

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

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

B. Fund Accounting

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

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the 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 deferred outflows of resources compared to liabilities and deferred inflows of resources is reported as fund balances. The following is the District's major governmental funds:

General Fund - The general fund is the operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Building Fund - The building capital projects fund is used to account for the revenues and expenditures related to the bond issue for school improvements.

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

Proprietary Funds - Proprietary funds focus on the determination of the changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service. The District has no proprietary funds.

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

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

C. Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, all liabilities, and all deferred outflows/inflows of resources associated with the operation of the District are included on the Statement of Net Position. The Statement of Activities presents increases (revenues) and decreases (expenses) in the total net position.

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

D. Basis of Accounting

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from income taxes is recognized in the period in which the income is earned (See Note 8). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Note 12 and 13 for deferred outflows of resources related the District's net pension liability and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes, income taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Note 12 and 13 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

E. Budgetary Process

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at fund level for all funds. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present its budgetary statement comparison at the fund and function level of expenditures for the general fund.

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

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts 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 amounts represent the final appropriation amounts passed by the Board during the fiscal year.

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

F. Cash and Investments

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

During fiscal year 2022, investments were limited to negotiable certificates of deposit, commercial paper, Farm Federal Credit Bank (FFCB) Securities, Federal Home Loan Bank (FHLB) Securities, Federal Home Loan Mortgage Corporation (FHLMC) Securities, Federal National Mortgage Association (FNMA) Securities, Federal Agricultural Mortgage Corporation (FAMC) Securities, U.S. Treasury notes, a U.S. government money market mutual fund, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit and STAR Ohio, are reported at amortized cost.

During fiscal year 2022, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The District measures its investments in the U.S. government money market fund at the net asset value (NAV) per share. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

Under existing Ohio statutes, interest earnings are allocated to funds based on average monthly cash balances. Interest income in the general fund for the fiscal year ended June 30, 2022 totaled ($314,620) which includes ($132,402) assigned from other funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are considered to be cash equivalents.

G. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other government or imposed by enabling legislation. As of June 30, 2022, the District did not have any restricted assets.

H. Capital Assets

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

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

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

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

Description	Estimated Lives
Land Improvements	20 Years
Buildings	50 Years
Building Improvements	20 - 30 Years
Furniture and Equipment	5 - 20 Years
Vehicles	8 Years
Intangible right to use: leased assets	5 Years

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

I. Interfund Balances

On fund financial statements, receivables and payables resulting from long-term interfund loans are classified as "loans to/from other funds" and "due to/from other funds". These amounts are eliminated in the statement of net position.

J. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability is based on an estimate of the amount of accumulated sick leave that will be paid as a termination benefit. The liability includes employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's termination policy.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements and all payables and accrued liabilities from proprietary funds are reported on the proprietary fund 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 and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Long-term obligations, notes payable - financed purchases, and leases payable are recognized as a liability on the governmental fund financial statements when due.

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

L. Net Position

Net Position represents the difference between assets and deferred outflows of resources compared to liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for state/local grants, education technology and special trusts. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

The government-wide statement of net position reports $3,058,404 of the restricted component of net position, none of which is restricted by enabling legislation.

M. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivables in the general fund.

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes. The Board of Education assigns fund balance by resolution. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues 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 expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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

N. Interfund Transactions

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

O. Estimates

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

P. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories consist of donated food, purchased food and school supplies held for resale, and materials and supplies held for consumption.

Q. Pensions/Other Postemployment Benefits (OPEB)

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

R. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepayments in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

At fiscal year end, because prepayments are not available to finance future governmental fund expenditures, the future balance is considered nonspendable in an amount equal to the carrying value of the asset on the fund financial statements.

S. Fair Value

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

These changes were incorporated in the District's fiscal year 2022 financial statements. The District also recognized $5,501 in governmental activities in leases payable at July 1, 2021; however, this entire amount was offset by the intangible right to use: leased equipment.

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

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

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

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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

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

B. Deficit Fund Balances

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

Nonmajor funds	Deficit
ESSER	$ 134,438
IDEA, Part B	12,931
Title I	26,434
Improving Teacher Quality	13,289
Miscellaneous Federal Grants	18,180

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

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

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

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

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

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

Net Change in Fund Balance

	General fund
Budget basis	$ 1,821,095
Net adjustment for revenue accruals	202,391
Net adjustment for expenditure accruals	144,390
Net adjustment for other sources/uses	(44,513)
Funds budgeted elsewhere	(9,680)
Adjustment for encumbrances	59,819
GAAP basis	$ 2,173,502

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the health wellness fund and the public school support fund.

NOTE 5 - 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 monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

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

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

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase;

7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (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.

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

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

A. Cash on Hand

At fiscal year end, the District had $283 in undeposited cash on hand which is included on the financial statements of the District as part of “equity in pooled cash and cash equivalents”.

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

B. Deposits with Financial Institutions

At June 30, 2022, the carrying amount of all District deposits was $587,324 and the bank balance of all District deposits was $606,643. Of the bank balances, $356,643 was covered by the Ohio Pooled Collateral System and $250,000 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For fiscal year 2022, the District's financial institutions were approved for a reduced collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

C. Investments

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

		Investment Maturities				
Measurement/ Investment type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair value:						
FHLMC	$ 196,150	$ -	$ -	$ 96,897	$ -	$ 99,253
FNMA	140,485	-	-	48,675	-	91,810
FAMC	185,074	-	-	-	-	185,074
FFCB	737,549	-	293,561	97,140	162,565	184,283
FHLB	1,552,619	-	48,722	439,842	95,165	968,890
US Treasury notes	3,564,463	545,888	121,805	437,988	698,703	1,760,079
Commercial paper	3,039,429	2,387,290	652,139	-	-	-
Negotiable CDs	2,699,819	322,846	818,117	-	473,819	1,085,037
NAV per share:						
US Government Money market	52,884	52,884	-	-	-	-
STAR Ohio	2,932,360	2,932,360	-	-	-	-
Total	$ 15,100,832	$ 6,241,268	$ 1,934,344	$ 1,120,542	$ 1,430,252	$ 4,374,426

The weighted average of maturity of investments is 1.34 years.

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

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

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: The District's investments in commercial paper were rated P-1 by Moody's Investor Services. The District's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio and the U.S. Government money market an AAAm money market rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investments in negotiable CDs were not rated. The negotiable CDs were fully insured by FDIC. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

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

Measurement/Investment type	Measurement Value	% of Total
Fair value:		
FHLMC	$ 196,150	1.30
FNMA	140,485	0.93
FAMC	185,074	1.23
FFCB	737,549	4.88
FHLB	1,552,619	10.28
US Treasury notes	3,564,463	23.60
Commercial paper	3,039,429	20.13
Negotiable CDs	2,699,819	17.88
NAV per share:		
US Government Money market	52,884	0.35
STAR Ohio	2,932,360	19.42
Total	$ 15,100,832	100.00

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

D. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and cash equivalents as reported on the statement of net position as of June 30, 2022:

Cash and investments per note	
Carrying amount of deposits	$ 587,324
Investments	15,100,832
Cash on hand	283
Total	$ 15,688,439
Cash and cash equivalents per statement of net position	
Governmental activities	$ 15,688,439
Total	$ 15,688,439

NOTE 6 - RECEIVABLES

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

A summary of the principal items of receivables reported in the statement of net position follows:

Governmental activities:	
Property taxes	$ 11,969,855
Income taxes	2,944,007
Accounts	5,738
Accrued interest	19,336
Intergovernmental	284,015
Total	$ 15,222,951

NOTE 7 - PROPERTY TAXES

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

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

NOTE 7 - PROPERTY TAXES - (Continued)

The District receives property taxes from Lorain County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2022, are available to finance fiscal year 2022 operations. The amount available for advance at June 30, 2022 was $750,898 in the general fund, $136,727 in the bond retirement fund (a nonmajor governmental fund), $30,711 in the education technology fund (a nonmajor governmental fund) and $47,180 in the capital projects fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2021 was $861,930 in the general fund, $155,467 in the bond retirement fund (a nonmajor governmental fund), $37,609 in the education technology fund (a nonmajor governmental fund) and $57,894 in the capital projects fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

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

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

	2021 Second Half Collections		2022 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 213,852,810	83.17	$ 241,744,420	86.32
Public utility personal	43,275,490	16.83	38,302,360	13.68
Total	$ 257,128,300	100.00	$ 280,046,780	100.00
Tax rate per $1,000 of assessed valuation	$64.06		$63.75	

NOTE 8 - SCHOOL DISTRICT INCOME TAX

The voters of the District have passed 2 income tax levies. The first income tax levy was passed on November 6, 1990 and established a 1 1/4% income tax effective January 1, 1991 which was then passed again May 6, 2003 for an indefinite period of time. The second income tax levy was passed on November 6, 2007 and established an additional 3/4% income tax effective January 1, 2008 for a period of 5 years which was renewed November 6, 2012, November 7, 2017, and November 2, 2021.

NOTE 9 - CAPITAL ASSETS

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

	Restated Balance June 30, 2021	Additions	Disposals	Balance June 30, 2022
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 2,279,070	$ -	$ -	$ 2,279,070
Construction in progress	12,926,461	185,256	(12,926,461)	185,256
Total capital assets, not being depreciated/amortized	15,205,531	185,256	(12,926,461)	2,464,326
Capital assets, being depreciated/amortized:				
Land improvements	1,293,244	1,058,600	(211,963)	2,139,881
Buildings and improvements	13,927,413	15,472,181	(2,792,157)	26,607,437
Furniture and equipment	1,750,599	156,546	(261,845)	1,645,300
Vehicles	946,796	234,582	-	1,181,378
Intangible right to use:				
Leased equipment	5,501	-	-	5,501
Total capital assets, being depreciated/amortized	17,923,553	16,921,909	(3,265,965)	31,579,497
Less: accumulated depreciation/amortized:				
Land improvements	(1,207,664)	(36,729)	182,470	(1,061,923)
Buildings and improvements	(12,206,562)	(255,044)	2,641,471	(9,820,135)
Furniture and equipment	(1,443,724)	(72,146)	233,334	(1,282,536)
Vehicles	(705,379)	(80,250)	-	(785,629)
Intangible right to use:				
Leased equipment	-	(1,610)	-	(1,610)
Total accumulated depreciation/amortization	(15,563,329)	(445,779)	3,057,275	(12,951,833)
Governmental activities capital assets, net	$ 17,565,755	$ 16,661,386	$ (13,135,151)	$ 21,091,990

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

Instruction:	
Regular	$ 129,861
Support services:	
Instructional staff	32,611
Board of education	7,925
Administration	409
Fiscal	1,608
Operations and maintenance	211,486
Pupil transportation	51,963
Extracurricular activities	2,465
Food service operations	7,451
Total depreciation/amortization expense	$ 445,779

NOTE 10 - INTERFUND ACTIVITY

A. Interfund transfers for the year ended June 30, 2022, consisted of the following, as reported on the fund statements:

	Amount
Transfers from general fund to:	
Nonmajor governmental fund	$ 17,500
Transfers from a nonmajor governmental fund to:	
Building fund	450,000
Total	$ 467,500

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The $450,000 transfer from the bond retirement fund (a nonmajor governmental fund) to the building fund was for debt service payments related to the Series 2021 notes payable (see Note 15). Transfers between governmental funds are eliminated on the government-wide financials.

All transfers made during the fiscal year 2022 were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

B. Due to/from other funds consisted of the following at June 30, 2022, as reported on the fund statement:

Receivable fund	Payable fund	Amount
General fund	Nonmajor governmental funds	$ 180,985

The primary purpose of the amount due to the general fund from the nonmajor governmental fund was to eliminate negative cash balances. The amount will be repaid once cash is received.

Amounts due to/from between governmental funds are eliminated on the government-wide statements.

C. On the fund financial statements at June 30, 2022, interfund balances consisted of the following:

	Receivable	Payable
Major Fund		
General Fund	$ 226	$ -
Nonmajor Funds		
Special Revenue Funds	-	226
Total	$ 226	$ 226

These amounts are represented as “Loans to/from Other Funds” on the balance sheet. The interfund loans were made to support programs and projects in the nonmajor Special Revenue Funds and are not expected to be repaid in subsequent period. Interfund balances between governmental funds are eliminated on the government-wide statement of net position.

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2022, the District contracted with the Schools of Ohio Risk Sharing Authority (SORSA) for property, vehicle, and crime insurance. SORSA was formed in conjunction with the Ohio Revised Code 2744 which allows public entities to join together for coverage purposes. The limitations of coverages are as follows:

Building and Contents - replacement cost ($1,000 deductible)	$350,000,000
Earth Movement Limit ($50,000 deductible)	$2,000,000
Flood Limit ($50,000 deductible)	$2,000,000
Equipment Breakdown ($1,000 deductible)	$300,000,000
Crime Coverage ($1,000 deductible)	$1,000,000
General Liability (no deductible) - per occurrence	$15,000,000
General Liability (no deductible) - annual aggregate	$17,000,000
Medical Payments	$10,000
Medical Payments - per accident	$25,000
Fire Legal Liability	$500,000
Stop Gap Employers Liability	$15,000,000
Educator Legal Liability ($5,000 deductible)	$15,000,000
Automobile Liability and Physical Damage	$15,000,000
Excess Liability	$10,000,000

Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. There has been no significant reduction in amounts of insurance coverage from fiscal year 2021. The District pays the Ohio Bureau of Workers' Compensation a premium based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

Life insurance is through One America and Ohio Schools Council. The life insurance is term life with a limit of $25,000 for classified employees who work less than 20 hours per week, $45,000 for classified employees who work 20 hours or more per week, $50,000 for certified employees and coverage for administrators is based on their salary.

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

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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 pension and postemployment benefits payable on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

The District's contractually required contribution to SERS was $321,249 for fiscal year 2022. Of this amount, $27,443 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

The District's contractually required contribution to STRS was $1,049,378 for fiscal year 2022. Of this amount, $189,989 is reported as pension and postemployment benefits payable.

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

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

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.063783400%	0.054885500%	
Proportion of the net pension liability current measurement date	0.064679700%	0.053969376%	
Change in proportionate share	0.000896300%	-0.000916124%	
Proportionate share of the net pension liability	$ 2,386,493	$ 6,900,470	$ 9,286,963
Pension expense	$ 34,762	$ (221,099)	$ (186,337)

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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	$ 231	$ 213,193	$ 213,424
Changes of assumptions	50,253	1,914,315	1,964,568
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	67,021	11,983	79,004
Contributions subsequent to the measurement date	321,249	1,049,378	1,370,627
Total deferred outflows of resources	$ 438,754	$ 3,188,869	$ 3,627,623

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 61,892	$ 43,253	$ 105,145
Net difference between projected and actual earnings on pension plan investments	1,229,116	5,946,888	7,176,004
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	290,674	290,674
Total deferred inflows of resources	$ 1,291,008	$ 6,280,815	$ 7,571,823

$1,370,627 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	$ (247,946)	$ (1,060,202)	$ (1,308,148)
2024	(256,055)	(918,240)	(1,174,295)
2025	(292,239)	(937,291)	(1,229,530)
2026	(377,263)	(1,225,591)	(1,602,854)
Total	$ (1,173,503)	$ (4,141,324)	$ (5,314,827)

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 3,970,539	$ 2,386,493	$ 1,050,599

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

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

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

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

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

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 12,921,997	$ 6,900,470	$ 1,812,292

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2022, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the District's surcharge obligation was $41,036.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $41,036 for fiscal year 2022. Of this amount, $41,036 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.065843500%	0.054885500%	
Proportion of the net OPEB liability/asset current measurement date	0.065618300%	0.053969376%	
Change in proportionate share	-0.000225200%	-0.000916124%	
Proportionate share of the net OPEB liability	$ 1,241,880	$ -	$ 1,241,880
Proportionate share of the net OPEB asset	$ -	$ (1,137,900)	$ (1,137,900)
OPEB expense	$ (27,656)	$ (91,005)	$ (118,661)

On 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	$ 13,237	$ 40,517	$ 53,754
Changes of assumptions	194,821	72,686	267,507
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	85,928	5,962	91,890
Contributions subsequent to the measurement date	41,036	-	41,036
Total deferred outflows of resources	$ 335,022	$ 119,165	$ 454,187

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 618,513	$ 208,485	$ 826,998
Net difference between projected and actual earnings on OPEB plan investments	26,981	315,408	342,389
Changes of assumptions	170,064	678,843	848,907
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	96,790	28,118	124,908
Total deferred inflows of resources	$ 912,348	$ 1,230,854	$ 2,143,202

$41,036 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2023.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (154,620)	$ (322,335)	$ (476,955)
2024	(154,810)	(314,442)	(469,252)
2025	(133,231)	(297,645)	(430,876)
2026	(101,150)	(133,355)	(234,505)
2027	(54,460)	(44,876)	(99,336)
Thereafter	(20,091)	964	(19,127)
Total	$ (618,362)	$ (1,111,689)	$ (1,730,051)

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.

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NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 1,538,840	$ 1,241,880	$ 1,004,648

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 956,146	$ 1,241,880	$ 1,623,533

Actuarial Assumptions - STRS

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

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

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

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

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

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 960,212	$ 1,137,900	$ 1,286,332

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 1,280,318	$ 1,137,900	$ 961,788

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

NOTE 14 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the District has reported obligations for leases payable which are reflected in the schedule below. The following is a schedule of the changes in long-term obligations during fiscal year 2022:

	Restated Balance 06/30/21	Additions	Reductions	Balance 06/30/22	Due in One Year
Series 2019 School Improvement Bonds	$ 8,740,000	$ -	$ (565,000)	$ 8,175,000	$ 590,000
Series 2020 School Improvement Bonds	4,770,000	-	(180,000)	4,590,000	145,000
Notes payable - financed purchase	68,384	-	(68,384)	-	-
Leases payable	5,501	-	(1,950)	3,551	1,983
Compensated absences	1,145,161	-	(178,194)	966,967	115,853
Net pension liability	17,499,106	-	(8,212,143)	9,286,963	-
Net OPEB liability	1,430,995	-	(189,115)	1,241,880	-
Unamortized Bond Premium				400,112	
Total Governmental Activities Long-Term Liabilities	$ 33,659,147	$ -	$ (9,394,786)	$ 24,664,473	$ 852,836

Series 2019 School Improvement Bonds - On April 23, 2019, the District issued $9,810,000 in school improvement bonds. The bond has an interest rate ranging from 2.25% to 4.00% and matures on November 1, 2048. Principal and interest payments are made from the bond retirement fund (a nonmajor governmental fund).

Principal and interest requirements to retire the series 2019 general obligation bonds outstanding at June 30, 2022 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	$ 590,000	$ 238,500	$ 828,500
2024	605,000	225,056	830,056
2025	620,000	210,500	830,500
2026	640,000	194,750	834,750
2027	660,000	178,500	838,500
2028 - 2032	1,180,000	711,275	1,891,275
2033 - 2037	900,000	573,000	1,473,000
2038 - 2042	1,100,000	421,490	1,521,490
2043 - 2047	1,300,000	215,830	1,515,830
2048 - 2049	580,000	20,650	600,650
Total	$8,175,000	$2,989,551	$11,164,551

Series 2020 School Improvement Bonds - On March 29, 2020, the District issued $5,000,000 in school improvement bonds. The bond has an interest rate ranging from 2.00% to 4.00% and matures on November 1, 2049. Principal and interest payments are made from the bond retirement fund (a nonmajor governmental fund).

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire the series 2020 general obligation bonds outstanding at June 30, 2022 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	$ 145,000	$ 118,662	$ 263,662
2024	145,000	115,762	260,762
2025	145,000	112,862	257,862
2026	160,000	109,812	269,812
2027	160,000	106,612	266,612
2028 - 2032	1,360,000	363,860	1,723,860
2033 - 2037	595,000	245,507	840,507
2038 - 2042	660,000	179,376	839,376
2043 - 2047	735,000	101,256	836,256
2048 - 2050	485,000	17,398	502,398
Total	$4,590,000	$1,471,107	$ 6,061,107

At June 30, 2022, the District had $1,104,825 in unspent bond and note proceeds.

Net Pension Liability - See Note 12 for detail on the District's net pension liability. The District pays obligation related to employee compensation from the fund benefitting from their service.

Net OPEB Liability/Asset - See Note 13 for detail on the District's net OPEB liability/asset. The District pays obligation related to employee compensation from the fund benefitting from their service.

Notes Payable - Financed Purchase - The District has entered into a financed purchase agreements for the purpose of purchasing multiple buses. These lease agreements qualify as notes payable for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of June 30, 2022. Payments are made from the General Fund. Financed purchase payments have been reclassified and are reflected as debt service expenditures in the financial statement. The assets acquired through leases are as follows:

Asset	Cost	Accumulated Depreciation	Net
3 Blue Bird Passenger Buses	$ 269,220	$ (151,434)	$ 117,786

There were no remaining lease payments at June 30, 2022.

Leases Payable - The District has entered into lease agreements for the use of right to use equipment and vehicles. Due to the implementation of GASB Statement No. 87, the District will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund.

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The District has entered into a lease agreement for a postage machine at the year and term as follows:

Leases	Lease Commencement Date	Years	Lease End Date	Payment Method
Postage Machine	2019	5	2024	Quarterly

The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Principal	Interest	Total
2023	$ 1,983	$ 170	$ 2,153
2024	1,568	48	1,616
Total	$ 3,551	$ 218	$ 3,769

NOTE 15 - NOTES PAYABLE

On April 28, 2021, the District issued $2,950,000 in Series 2021 bond anticipation notes for constructing District facilities. The notes bore an interest rate of 1.00% and matured on April 27, 2022. On April 26, 2022, the District issued $2,500,000 in Series 2022 bond anticipation notes to partially refinance the Series 2021 notes. The notes bear an interest rate of 2.25% and mature on April 25, 2023. The District retired $2,950,000 in Series 2021 bond anticipation notes.

	Balance 6/30/2021	Issued	Retired	Balance 6/30/2022
Governmental activities:				
Bond anticipation notes				
Series 2021 Notes - 1.00%	$ 2,950,000	$ -	$ (2,950,000)	$ -
Series 2022 Notes - 2.25%	-	2,500,000	-	2,500,000
Total	$ 2,950,000	$ 2,500,000	$ (2,950,000)	$ 2,500,000

NOTE 16 - SET-ASIDES

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

NOTE 16 - SET-ASIDES - (Continued)

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

	Capital Improvements
Set-aside balance June 30, 2021	$ -
Current year set-aside requirement	152,148
Current year qualifying expenditures	-
Excess qualified expenditures from prior years	-
Current year offsets	(434,776)
Prior year offset from bond proceeds	-
Total	$ (282,628)
Balance carried forward to fiscal year 2023	$ -
Set-aside balance June 30, 2022	$ -

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

A. Metropolitan Educational Technology Association (META) Solutions

The District is a participant in META Solutions (formerly Tri-Rivers Educational Computer Association (TRECA) who merged with MEC during fiscal year 2015), which is a computer consortium comprised of more than one hundred and seventy school districts. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of META consists of representatives from thirteen districts. During fiscal year 2022, the School District paid $21,786 to META for various services. Financial information can be obtained from META, 100 Executive Drive, Marion, Ohio 43302.

B. Lorain County Joint Vocational School District

The Lorain County Joint Vocational School District is a separate body politic and corporate, established by the Ohio Revised Code to provide vocational and special education needs of the students. The Board of the Lorain County Joint Vocational School District is comprised of representatives from each participating school district and is responsible for approving its own budgets, appointing personnel, accounting, and financing related activities.

Each participant’s control is limited to its representation on the board. The participant’s students may attend the Lorain County Joint Vocational School District. Financial information can be obtained by contacting the Lorain County Joint Vocational School District, 15181 State Route 58 South, Oberlin, Ohio 44074.

C. Ohio Schools Council

The Ohio Schools Council is a jointly governed organization among 121 districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member superintendent serves as a representative of the Assembly. The Assembly elects five of the Council’s board members and the remaining four are representatives of the Greater Cleveland School Superintendents’ Association. The Council operates under a nine-member Board of Directors (the Board). The Board meets monthly September through June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. Financial information can be obtained by contacting the Ohio Schools Council, 6393 Oak Tree Blvd., Independence, Ohio 44131. During the fiscal year ended June 30, 2022, the District paid $49,868 to the Ohio Schools Council.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS - (Continued)

The District participated in the Council's prepaid natural gas program. The Council provides participating school districts the ability to purchase natural gas at reduced rates, if the school district will commit to participating for a twelve year period. There are currently 120 districts in the Program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July - June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

NOTE 18 - CONTINGENCIES

A. Grants

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

B. Litigation

The District is not party to any legal proceedings.

NOTE 19 - COVID-19

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

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

NOTE 20 - OTHER COMMITMENTS

A. Other Commitments

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

Fund Type	Year-End Encumbrances
General fund	$ 54,179
Building fund	1,093,943
Other governmental	182,405
Total	$ 1,330,527

NOTE 20 - OTHER COMMITMENTS - (Continued)

B. Contractual Commitments

As of June 30, 2022, the District had the following contractual commitments outstanding on a cash basis:

Vendor	Total Contract	Amount Paid	Remaining Commitment June 30, 2022
Greenspace Construction	$ 15,722,898	$ 15,085,627	$ 637,271

NOTE 21 - SHARED RISK POOL

The Suburban Health Consortium ("the Consortium") is a shared health risk pool created on October 1, 2001, formed by the Boards of Education of several school districts in northeast Ohio, for the purposes of maximizing benefits and/or reducing costs of group health, life, dental and/or other insurance coverage for their employees and the eligible dependents and designated beneficiaries of such employees. The Consortium was formed and operates as a legally separate entity under Ohio Revised Code Section 9.833. The Board of Directors is the governing body of the Consortium. The Board of Education of each Consortium Member appoints its Superintendent or such Superintendent's designee to be its representative on the Board of Directors. The officers of the Board of Directors consist of a Chairman, Vice-Chairman and Recording Secretary, who are elected at the annual meeting of Board of Directors and serve until the next annual meeting. All of the authority of the Consortium is exercised by or under the direction of the Board of Directors. The Board of Directors also set all premiums and other amounts to be paid by the Consortium Members and the Board of Directors have the authority to waive premiums and other payments. All members of the Board of Directors serve without compensation.

The Fiscal Agent shall be the Board of Education responsible for administering the financial transactions of the Consortium (Orange City School District). The Fiscal Agent shall carry out the responsibilities of the Consortium Fund, enter into contracts on behalf of the Consortium as authorized by the Directors and carry out such other responsibilities as approved by the Directors and agreed to by the Fiscal Agent. Each District Member enrolled in a benefit program may require contributions from its employees toward the cost of any benefit program being offered by such District Member, and such contributions shall be included in the payments from such District Member to the Fiscal Agent for such benefit program. Contributions are to be submitted by each District Member, to the Fiscal Agent, required under the terms of the Consortium Agreement and any benefit program in which such District Member is enrolled to the Fiscal Agent on a monthly basis, or as otherwise required in accordance with any benefit program in which such District Member is enrolled. All general administrative costs incurred by the Consortium that are not covered by the premium payments shall be shared equally by the Consortium Members as approved by the Directors, and shall be paid by each Consortium Member upon receipt of notice from the Fiscal Agent that such payment is due. It is the express intention of the Consortium Members that the Consortium Agreement and the Consortium shall continue for an indefinite term, but may be terminated as provided in the Consortium Agreement.

Any Consortium Member wishing to withdraw from participation in the Consortium or any benefit program shall notify the Fiscal Agent at least one hundred eighty (180) days prior to the effective date of withdrawal. Upon withdrawal of a Consortium Member, the Consortium shall pay the run out of all claims for such Consortium Member provided such Consortium Member has paid to the Consortium, prior to the effective date of withdrawal a withdrawal fee in the amount equal to two months' premiums at the Consortium Member's current rate. Payment of the withdrawal fee does not extend insurance coverage for two months. Upon automatic withdrawal, for non-payment of premiums required by the Consortium Agreement, the Consortium shall pay the run out of all claims for such Consortium Member provided that the Consortium has received from such Consortium Member all outstanding and unpaid premiums and other amounts and the withdrawal fee equal to two months' premiums at the Consortium Member's current rates. Any Consortium Member which withdraws from the Consortium pursuant to the Consortium Agreement shall have no claim to the Consortium's assets. Financial information for the Consortium can be obtained from the Treasurer of the Orange City School District (the Fiscal Agent) at 32000 Chagrin Blvd., Pepper Pike, Ohio 44124.

NOTE 22 - MISCELLANEOUS REVENUE

The majority of the miscellaneous revenue in the building fund was $275,000 to build a solar array.

NOTE 23 - COMPLIANCE

The District is in noncompliance with Ohio Administrative Code 117-2-02(C)1 for appropriations and estimated resources not being accurately integrated into the accounting system.

NOTE 24 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

The City of Oberlin entered into property tax abatement agreements with local businesses under Enterprise Zone tax abatement agreements. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program provides tax exemptions for a portion of the value of new real property when the investment is made in conjunction with a project that includes job creation or job retention. These tax abatements reduce assessed value by a percentage agreed upon by all parties that authorize these types of agreements. The agreements affect the property tax receipts collected and distributed to the District. Under the agreements, the District property taxes were reduced by approximately $18,786 during fiscal year 2022.

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REQUIRED SUPPLEMENTARY INFORMATION

OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net pension liability	0.064679700%	0.06378340%	0.06127500%	0.05979130%
District's proportionate share of the net pension liability	$ 2,386,493	$ 4,218,768	$ 3,666,191	$ 3,424,358
District's covered payroll	$ 2,226,371	$ 2,240,186	$ 2,068,104	$ 2,069,681
District's proportionate share of the net pension liability as a percentage of its covered payroll	107.19%	188.32%	177.27%	165.45%
Plan fiduciary net position as a percentage of the total pension liability	82.86%	68.55%	70.85%	71.36%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2018	2017	2016	2015	2014
	0.06706640%	0.06724860%	0.06892230%	0.07237200%	0.07237200%
	$ 4,007,069	$ 4,921,977	$ 3,932,773	$ 3,662,706	$ 4,303,731
	$ 2,091,757	$ 2,146,543	$ 2,075,425	$ 2,095,924	$ 1,845,246
	191.56%	229.30%	189.49%	174.75%	233.23%
	69.50%	62.98%	69.16%	71.70%	65.52%

OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE FISCAL YEARS

	2022	**2021**	**2020**	**2019**
District's proportion of the net pension liabilit	0.053969376%	0.05488550%	0.05490167%	0.05589134%
District's proportionate share of the net pension liability	$ 6,900,470	$ 13,280,338	$ 12,141,174	$ 12,289,251
District's covered payroll	$ 6,709,336	$ 6,866,271	$ 6,176,529	$ 6,506,414
District's proportionate share of the net pension liability as a percentage of its covered payroll	102.85%	193.41%	196.57%	188.88%
Plan fiduciary net position as a percentage of the total pension liability	87.78%	75.48%	77.40%	77.31%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
0.05555675%	0.05711668%	0.05738880%	0.05982567%	0.05982567%
$ 13,197,625	$ 19,118,674	$ 15,860,608	$ 14,551,673	$ 17,333,858
$ 6,068,471	$ 6,007,143	$ 6,029,221	$ 6,236,246	$ 6,208,177
217.48%	318.27%	263.06%	233.34%	279.21%
75.30%	66.80%	72.10%	74.70%	69.30%

OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	**2021**	**2020**	**2019**
Contractually required contribution	$ 321,249	$ 311,692	$ 313,626	$ 279,194
Contributions in relation to the contractually required contribution	(321,249)	(311,692)	(313,626)	(279,194)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,294,636	$ 2,226,371	$ 2,240,186	$ 2,068,104
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014	2013
$ 279,407	$ 292,846	$ 300,516	$ 273,541	$ 290,495	$ 255,382
(279,407)	(292,846)	(300,516)	(273,541)	(290,495)	(255,382)
$ -	$ -	$ -	$ -	$ -	$ -
$ 2,069,681	$ 2,091,757	$ 2,146,543	$ 2,075,425	$ 2,095,924	$ 1,845,246
13.50%	14.00%	14.00%	13.18%	13.86%	13.84%

OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	**2021**	**2020**	**2019**
Contractually required contribution	$ 1,049,378	$ 939,307	$ 961,278	$ 864,714
Contributions in relation to the contractually required contribution	(1,049,378)	(939,307)	(961,278)	(864,714)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 7,495,557	$ 6,709,336	$ 6,866,271	$ 6,176,529
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2018	2017	2016	2015	2014	2013
	$ 910,898	$ 849,586	$ 841,000	$ 844,091	$ 810,712	$ 807,063
	(910,898)	(849,586)	(841,000)	(844,091)	(810,712)	(807,063)
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 6,506,414	$ 6,068,471	$ 6,007,143	$ 6,029,221	$ 6,236,246	$ 6,208,177
	14.00%	14.00%	14.00%	14.00%	13.00%	13.00%

OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net OPEB liability	0.065618300%	0.06584350%	0.06247540%	0.06077570%
District's proportionate share of the net OPEB liability	$ 1,241,880	$ 1,430,995	$ 1,571,125	$ 1,686,082
District's covered payroll	$ 2,226,371	$ 2,240,186	$ 2,068,104	$ 2,069,681
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	55.78%	63.88%	75.97%	81.47%
Plan fiduciary net position as a percentage of the total OPEB liability	24.08%	18.17%	15.57%	13.57%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017	
	0.06758450%		0.06780496%
$	1,813,790	$	1,932,692
$	2,091,757	$	2,146,543
	86.71%		90.04%
	12.46%		11.49%

OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	2022	**2021**	**2020**	**2019**
District's proportion of the net OPEB liability/asset	0.053969376%	0.05488550%	0.05490167%	0.05589134%
District's proportionate share of the net OPEB liability/(asset)	$ (1,137,900)	$ (964,612)	$ (909,303)	$ (898,117)
District's covered payroll	$ 6,709,336	$ 6,866,271	$ 6,176,529	$ 6,506,414
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	16.96%	14.05%	14.72%	13.80%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.73%	182.10%	174.70%	176.00%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2018		2017
	0.05555675%		0.05711668%
$	2,167,619	$	3,054,615
$	6,068,471	$	6,007,143
	35.72%		50.85%
	47.10%		37.30%

OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 41,036	$ 37,190	$ 40,673	$ 46,977
Contributions in relation to the contractually required contribution	(41,036)	(37,190)	(40,673)	(46,977)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 2,294,636	$ 2,226,371	$ 2,240,186	$ 2,068,104
Contributions as a percentage of covered payroll	2.27%	2.27%	2.11%	1.66%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017		2016		2015		2014		2013	
$	43,703	$	34,650	$	32,833	$	17,018	$	34,655	$	37,013
	(43,703)		(34,650)		(32,833)		(17,018)		(34,655)		(37,013)
$	-	$	-	$	-	$	-	$	-	$	-
$	2,069,681	$	2,091,757	$	2,146,543	$	2,075,425	$	2,095,924	$	1,845,246
	1.53%		0.82%		1.65%		2.01%		2.06%		2.94%

OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 7,495,557	$ 6,709,336	$ 6,866,271	$ 6,176,529
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014	2013
$ -	$ -	$ -	$ -	$ 63,553	$ 62,082
-	-	-	-	(63,553)	(62,082)
$ -	$ -	$ -	$ -	$ -	$ -
$ 6,506,414	$ 6,068,471	$ 6,007,143	$ 6,029,221	$ 6,236,246	$ 6,208,177
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

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

Changes in assumptions :

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

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

(Continued)

PENSION (CONTINUED)

Changes in assumptions :

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

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

Changes in assumptions :

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

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

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

Changes in assumptions :

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

SUPPLEMENTARY INFORMATION

OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER/ ADDITIONAL AWARD IDENTIFICATION	TOTAL EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Ohio Department of Education			
Child Nutrition Cluster			
National School Breakfast Program	10.553	2022	$ 102,967
National School Lunch Program	10.555	2022	345,520
COVID-19 - National School Lunch Program - CNP COVID3 EMERGENCY CST	10.555	COVID-19, 2022	18,735
COVID-19 - National School Lunch Program - CN COVID FOOD PRO MANF	10.555	COVID-19, 2022	18,714
National School Lunch Program - Food Donation	10.555	2022	37,140
Total National School Lunch Program			420,109
Total Child Nutrition Cluster			523,076
COVID-19 - State Pandemic Electronic Benefit Transfer (P.EBT) Administrative Costs Grant	10.649	COVID-19, 2022	614
Total U.S. Department of Agriculture			523,690
U.S. FEDERAL COMMUNICATION COMMISSION			
Direct			
COVID-19 - Emergency Connectivity Fund Program - Equipment	32.009	COVID-19, 2022	97,800
COVID-19 - Emergency Connectivity Fund Program - Services	32.009	COVID-19, 2022	11,423
Total Emergency Connectivity Fund Program and U.S. Federal Communication Commission			109,223
U.S. DEPARTMENT OF EDUCATION			
Passed Through the Ohio Department of Education			
Title I Grants to Local Educational Agencies	84.010A	84.010A, 2021	36,122
Title I Grants to Local Educational Agencies	84.010A	84.010A, 2022	290,930
Title I Grants to Local Educational Agencies - Non-competitive, Supplemental School Improvement	84.010A	84.010A, 2022	17,637
Title I Grants to Local Educational Agencies - Expanding Opportunities for Each Child Non-Competitive Grant	84.010A	84.010A, 2022	10,851
Total Title I Grants to Local Educational Agencies			355,540
Special Education Cluster:			
Special Education Grants to States (IDEA, Part B)	84.027A	84.027A, 2022	217,572
COVID-19 - Special Education Grants to States (IDEA, Part B) - ARP IDEA	84.027X	COVID-19, 84.027X, 2022	32,850
Total Special Education Grants to States (IDEA, Part B)			250,422
Special Education Preschool Grants (IDEA Preschool)	84.173A	84.173A, 2022	3,105
Total Special Education Cluster			253,527
Supporting Effective Instruction State Grants	84.367A	84.367A, 2022	50,729
Supporting Effective Instruction State Grants - Ohio Teacher of the Year	84.367A	84.367A, 2022	3,671
Total Supporting Effective Instruction State Grants			54,400
Comprehensive Literacy Development - Striving Readers	84.371C	84.371C, 2021	63,389
Comprehensive Literacy Development - Striving Readers	84.371C	84.371C, 2022	372,231
Total Comprehensive Literacy Development - Striving Readers			435,620
Title IV-A Student Support and Academic Enrichment Program	84.424A	84.424A, 2022	19,465
COVID-19 - Elementary and Secondary School Emergency Relief Fund - RemotEDx OCER Department Match	84.425D	COVID-19, 84.425D, 2021	1,522
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER) Fund	84.425D	COVID-19, 84.425D, 2022	9,836
COVID-19 - Elementary and Secondary School Emergency Relief II (ESSER II) Fund	84.425D	COVID-19, 84.425D, 2022	357,336
COVID-19 - American Resuce Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	COVID-19, 84.425U, 2022	119,375
COVID-19 - American Resuce Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund - Homeless Round II	84.425U	COVID-19, 84.425U, 2022	5,687
Total Education Stabilization Fund (ESF)			493,756
Total U.S. Department of Education			1,612,308
Total Expenditures of Federal Awards			$ 2,245,221

The accompanying notes are an integral part of this schedule.

OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCALYEAR ENDED JUNE 30, 2022

NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Oberlin City School District under programs of the federal government for the fiscal year ended June 30, 2022 and is prepared in accordance with the cash basis of accounting. 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 Oberlin City School District, it is not intended to and does not present the financial position, or changes in net position of the Oberlin City School District. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited as to reimbursement.

NOTE 2 - DE MINIMIS COST RATE

CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The Oberlin City School District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - CHILD NUTRITION CLUSTER

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

NOTE 4 - FOOD DONATION PROGRAM

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

NOTE 5 – PASS THROUGH FUNDS

The Oberlin City School District was awarded federal program allocations to be administered on their behalf by area Educational Service Centers (ESC). For fiscal year 2022, the Oberlin City School District's allocations are as follows:

Grant/Program Name	ALN	Reallocated to	Award Amount
Title III English Language Acquisition State Grants	84.365A	ESC of Lorain County	$ 2,724

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*

Oberlin City School District
Lorain County
153 North Main Street
Oberlin, Ohio 44074

To the Members of the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oberlin City School District, Lorain County, Ohio, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Oberlin City School District's basic financial statements, and have issued our report thereon dated January 20, 2023, wherein we noted as described in Note 19 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Oberlin City School 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 Oberlin City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Oberlin City School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2022-001 and 2022-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Oberlin City School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2022-001.

Oberlin City School District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Oberlin City School District's response to the findings identified in our audit and described in the accompanying corrective action plan. The Oberlin City School District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 Oberlin City School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Oberlin City School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
January 20, 2023

Julian & Grube

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Westerville, OH 43082
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Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Oberlin City School District
Lorain County
153 North Main Street
Oberlin, Ohio 44074

To the Members of the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Oberlin City School District's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Oberlin City School District's major federal programs for the fiscal year ended June 30, 2022. The Oberlin City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Julian & Grube, Inc.

Julian & Grube, Inc.
January 20, 2023

OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

SCHEDULE OF FINDINGS
2 CFR § 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)?*	Yes
(d)(1)(ii)	*Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?*	No
(d)(1)(iii)	*Was there any reported material noncompliance at the financial statement level (GAGAS)?*	Yes
(d)(1)(iv)	*Were there any material weaknesses in internal control reported for major federal programs?*	No
(d)(1)(iv)	*Were there any significant deficiencies in internal control reported for major federal programs?*	No
(d)(1)(v)	*Type of Major Program's Compliance Opinion*	Unmodified
(d)(1)(vi)	*Are there any reportable findings under 2 CFR §200.516(a)?*	No
(d)(1)(vii)	*Major Programs (listed):*	Child Nutrition Cluster; Education Stabilization Fund (ALN – 84.425)
(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

OBERLIN CITY SCHOOL DISTRICT
LORAIN COUNTY, OHIO

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2022

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2022-001

Material Weakness/Noncompliance

Ohio Administrative Code 117-2-02(C)(1) states that all public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted appropriation balances.

The District's Board approved appropriations and County approved estimated resources did not agree to the system budgetary amounts.

By not correctly including approved budgetary amounts into the financial software, it could become challenging for the District to easily monitor its budgeted activity in comparison with its actual amounts. The District is also at risk for overspending in excess of available funds, which could possibly result in negative fund balances.

We recommend that approved budgetary modifications be incorporated into the USAS system by the Treasurer in a timely manner. This should aid the Board of Education and Treasurer in their review of budgetary versus actual information and help ensure budgetary requirements are followed.

Finding Number	2022-002

Material Weakness - Financial Statement Presentation

Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework. Control and monitoring activities typically associated with the period-end financial reporting process include reviewing and approving manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statements. For the District, this could also include reviewing the year-end system reports to ensure activity is properly reported.

In order to properly state financial statement amounts, the following adjustments were made to the District's financial statements for the fiscal year ended June 30, 2022:

- To properly state capital assets on the government-wide financial statements, an adjustment was necessary to increase nondepreciable capital assets by $185,256, increase depreciable capital assets by $3,815,720, increase net investments in capital assets by $3,600,864, increase unrestricted net position by $400,112, and decrease operation and maintenance expenses by $4,000,976.
- To properly state net position on the government-wide financial statements, an adjustment was necessary to increase net position restricted for capital projects by $450,000 and decrease net position restricted for debt service by the same amount.

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2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)	
Finding Number	2022-002 (Continued)

- To properly state transfers related to debt repayments on the fund financial statement, an adjustment was necessary to increase equity in pooled cash and cash equivalents, transfers in, and fund balance restricted for capital projects for the building fund by $450,000 each and increase transfers out, decrease equity in pooled cash and cash equivalents and fund balance restricted for debt service for the bond retirement fund (a nonmajor governmental fund) by $450,000 each.

The financial statements and notes have been adjusted to properly report the activity.

In addition to the misstatement above, certain additional immaterial misstatements have been identified and brought to the District's attention and have not been adjusted on the accompanying financial statements and notes.

A lack of proper policies and procedures for control and monitoring activities associated with the period-end financial reporting process could lead to financial statement and note disclosure adjustments, which if uncorrected, could lead to a misrepresentation of the District's activity.

We recommend the District design and implement additional procedures to facilitate more accurate and detailed financial reporting. The District should consider having an outside third-party, or Board member with financial experience, review the financial report prior to filing in the Hinkle System. Further, the District should reach out to its auditor throughout the year if questions arise.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Oberlin City School District

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Dr. David Hall
Superintendent

Robert Rinehart
Treasurer/CFO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2022

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Informatio n
2021-003	2020	Material Weakness – Financial Statement Presentation - Accurate financial reporting is required in order to provide management and the Board of Education with objective and timely information to enable well-informed decisions. Various adjustments were made to the financial statements.	Not Corrected	Repeated as 2022-002
2021-001	2021	Material Weakness/Noncompliance - Ohio Administrative Code 117-2-02(C)(1) states that all public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. The District's approved appropriations and estimated resources did not agree to the system budgetary amounts.	Not Corrected	Repeated as 2022-001
2021-002	2021	Material Weakness/Noncompliance - Ohio Revised Code Section 5705.36, in part, requires the Treasurer to certify any unencumbered balances at the end of the preceding year to the County Auditor. The unencumbered balances were not properly certified.	Corrective Action Taken and Finding is Fully Corrected	N/A

Oberlin City School District

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Dr. David Hall
Superintendent

Robert Rinehart
Treasurer/CFO

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

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2022-001	Treasurer will confirm that all additions/deletions to the revised estimated resources and budgets match.	2/1/2023	Robert Rinehart
2022-002	Talked with GAAP conversion rep about making the adjustments needed for next years audit.	2/1/2023	Robert Rinehart

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OHIO AUDITOR OF STATE
KEITH FABER

OBERLIN CITY SCHOOL DISTRICT

LORAIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/21/2023

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