OHIO AUDITOR OF STATE
KEITH FABER

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT
NOBLE COUNTY
JUNE 30, 2023

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Caldwell Exempted Village School District
Noble County
516 Fairground Street
Caldwell, Ohio 43724

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Caldwell Exempted Village School District, Noble County, Ohio (School District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Caldwell Exempted Village School District, Noble County, Ohio as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Elementary Secondary School Emergency Relief Funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and Schedules of Net Pension and Other Post-Employment Benefit Liabilities and Pension and Other Post-Employment Benefit Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2024, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

March 18, 2024

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The discussion and analysis of the Caldwell Exempted Village School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- Net position of governmental activities increased $395,945.

- General revenues accounted for $10,807,599 in revenue or 70 percent of all revenues. Program specific revenues in the form of charges for services, operating and capital grants, contributions, and interest accounted for $4,557,352, or 30 percent of total revenues of $15,364,951.

- The School District had $14,969,006 in expenses related to governmental activities; only $4,557,352 of these expenses were offset by program specific charges for services, operating and capital grants contributions, and interest. General revenues of $10,807,599 were adequate to provide for these programs.

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 Caldwell Exempted Village School District as a financial whole, an entire operating entity. The statements then proceed to present a detailed outline of specific financial activities and conditions.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's General Fund and Elementary and Secondary School Emergency Relief ESSER Special Revenue Fund with all other non-major funds presented in total in one column.

Government-Wide Financial Statements

Statement of Net Position and the Statement of Activities

While these documents contain information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during the 2023 fiscal year?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities 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.

These two statements report the School District's net position and changes in the net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the Statement of Net Position and the Statement of Activities, all of the School District's programs and services are reported as Governmental Activities including instruction, support services, operation of non-instructional services, extracurricular activities, and interest.

Reporting the School District's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The analysis of the School District's major fund begins on page 12. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund and Elementary and Secondary School Emergency Relief ESSER Special Revenue Fund.

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

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The School District's only fund of this type is the Self-Insurance Internal Service Fund. However, the activity of this fund is combined with the Governmental Activities on the entity wide financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net position for fiscal year 2023 compared to fiscal year 2022:

Table 1
Net Position

	Governmental Activities		
	2023	2022	Change
Assets			
Current and Other Assets	$16,129,413	$16,703,874	($574,461)
Capital Assets, Net	6,566,523	5,320,993	1,245,530
Total Assets	22,695,936	22,024,867	671,069
Deferred Outflows of Resources			
Pension	2,773,818	2,466,880	306,938
OPEB	354,768	375,022	(20,254)
Total Deferred Outflows of Resources	3,128,586	2,841,902	286,684
Liabilities			
Current and Other Liabilities	1,793,027	1,824,360	(31,333)
Long-term Liabilities:			
Due Within One Year	108,068	107,582	486
Due in More than One Year:			
Net Pension Liability	9,536,476	5,425,798	4,110,678
Net OPEB Liability	601,593	768,876	(167,283)
Other Amounts	992,377	1,058,723	(66,346)
Total Liabilities	13,031,541	9,185,339	3,846,202
Deferred Inflows of Resources			
Property Taxes	3,842,186	3,818,735	23,451
Pension	796,006	4,263,964	(3,467,958)
OPEB	1,369,193	1,209,080	160,113
Total Deferred Inflows of Resources	6,007,385	9,291,779	(3,284,394)
Net Position			
Net Investment in Capital Assets	5,889,051	4,475,911	1,413,140
Restricted	320,624	391,662	(71,038)
Unrestricted	575,921	1,522,078	(946,157)
Total Net Position	$6,785,596	$6,389,651	$395,945

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2023, and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27". The School District has also adopted 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 School 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.

Governmental Accounting Standards Board 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 School 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 School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 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 School 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.

Total assets increased $671,069. Current and other assets decreased $574,461, which was mainly due to a decrease in cash and cash equivalents in the amount of $1,069,940 due increase in the depreciable capital assets related to the completion of the various improvements to multiple buildings for approximately $1 million paid from General Fund in 2023. Intergovernmental receivables increased by $415,757 from the prior fiscal year due to new and additional grant awards in fiscal year 2023. Capital assets increased by $1,245,530 due to current year capital asset additions exceeding current year deletions and depreciation expense. The School District reflects a net OPEB asset in the amount of $847,150, an increase of $191,807 from the prior year. See Note 16 for more information.

Total deferred outflows of resources increased in the amount of $286,684. This increase was primarily due to the increase in the changes of assumptions related to the School District's proportionate share of the net pension and the increase in projected versus actual earnings on pension plan investments.

Total liabilities increased $3,846,202. Current and other labilities decreased $31,333. The decrease is primary due to decreases in contracts payable, as the School District completed a significant portion of its construction in progress during fiscal year 2023; accounts payable due to a purchase of several touch boards and carts at the end of 2022 and claims payable due to an decrease in actuarial estimates provided by a third party administrator for fiscal year 2023 to fiscal year 2022. These decreases were offset in part by increases in unearned revenue, for advanced funded reimbursable grant school safety; accrued wages benefits payable; and matured compensated absences for severance owed to retired employees at fiscal year-end. Long-term liabilities increased $3,877,535 due to the increase in the net pension liability in the amount of $4,110,678 and offset by the decrease in net OPEB liability of $167,283 and other amounts due in more than one year of $66,346. The net pension/OPEB liability net increase represents the School District's proportionate share of the STRS and SERS underpayment of benefits. Changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension/OPEB liability.

Total deferred inflows of resources decreased $3,284,394. This decrease was the result of three factors; an increase in deferred inflows of resources for property taxes, an decrease in deferred inflows of resources related to pension due to changes in pension plan investments, and an increase in deferred inflows of resources related to OPEB due to changes in assumptions.

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Table 2 shows the changes in net position for fiscal year 2023 compared to fiscal year 2022:

Table 2
Changes in Net Position

	2023	2022	Change
Revenues			
Program Revenues:			
Charges for Services and Sales	$361,985	$374,134	($12,149)
Operating Grants, Contributions, and Interest	4,195,367	2,384,545	1,810,822
Capital Grants and Contributions	0	186,119	(186,119)
Total Program Revenues	4,557,352	2,944,798	1,612,554
General Revenues:			
Property Taxes	5,544,675	5,351,695	192,980
Payments in Lieu of Taxes	8,168	0	8,168
Grants and Entitlements	4,916,483	5,496,607	(580,124)
Investment Earnings	240,494	33,245	207,249
Gifts and Donations	25,500	42,717	(17,217)
Gain on Sale of Capital Assets	5,500	0	5,500
Miscellaneous	66,779	76,723	(9,944)
Total General Revenues	10,807,599	11,000,987	(193,388)
Total Revenues	15,364,951	13,945,785	1,419,166
Program Expenses			
Instruction:			
Regular	4,943,630	4,626,998	316,632
Special	2,819,497	2,419,671	399,826
Vocational	521,119	469,992	51,127
Support Services:			
Pupils	974,092	784,390	189,702
Instructional Staff	546,243	186,122	360,121
Board of Education	60,559	122,146	(61,587)
Administration	1,426,264	1,138,999	287,265
Fiscal	432,677	492,559	(59,882)
Business	3,335	3,771	(436)
Operation and Maintenance of Plant	1,262,317	891,155	371,162
Pupil Transportation	893,962	808,186	85,776
Central	10,916	9,522	1,394
Operation of Non-Instructional Services:			
Food Service Operations	614,588	687,137	(72,549)
Community Serice	61,511	34,510	27,001
Extracurricular Activities	389,972	336,295	53,677
Interest	8,324	9,737	(1,413)
Total Expenses	14,969,006	13,021,190	1,947,816
Change in Net Position	395,945	924,595	(528,650)
Net Position Beginning of Year	6,389,651	5,465,056	924,595
Net Position End of Year	$6,785,596	$6,389,651	$395,945

Net position increased by $395,945. Overall revenues reflect an increase of $1,419,166, primarily due to a increase in operating grants, contributions, and interest of $1,810,822. Operating grants, contributions, and interest increased due to the School District seeking out more grant funding in 2023 then 2022. In fiscal year 2023, 36 percent of the School District's total revenues were from property taxes and 32 percent were from unrestricted grants and entitlements.

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

Table 3
Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program Expenses				
Instruction:				
Regular	$4,943,630	$3,880,922	$4,626,998	$3,817,434
Special	2,819,497	1,859,125	2,419,671	1,580,914
Vocational	521,119	8,444	469,992	441,279
Support Services:				
Pupils	974,092	613,178	784,390	719,928
Instructional Staff	546,243	379,096	186,122	55,287
Board of Education	60,559	60,559	122,146	122,146
Administration	1,426,264	1,359,758	1,138,999	1,138,999
Fiscal	432,677	432,677	492,559	492,559
Business	3,335	3,335	3,771	3,771
Operation and Maintenance of Plant	1,262,317	1,072,745	891,155	870,099
Pupil Transportation	893,962	329,221	808,186	704,733
Central	10,916	10,916	9,522	9,522
Operation of Non-Instructional Services:				
Food Service Operations	614,588	143,456	687,137	(90,349)
Community Service	61,511	8,274	34,510	(7,366)
Extracurricular Activities	389,972	241,624	336,295	207,699
Interest	8,324	8,324	9,737	9,737
Total	$14,969,006	$10,411,654	$13,021,190	$10,076,392

The dependence upon tax revenues and State subsidies for governmental activities is apparent. For 2023, only 30 percent of the governmental activities performed by the School District are supported through program revenues such as charges for services, operating and capital grants, contributions, and interest. The remaining 70 percent is provided through taxes and entitlements.

The School District's Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources in the amount of $15,396,025 and expenditures and other financing uses in the amount of $16,092,773, with an overall decrease in fund balance in the amount of $696,748.

The General Fund had a decrease in its fund balance of $549,448, which includes making a transfer to the Food Service Special Revenue Fund for $49,004 and District Managed Student Activity Special Revenue Fund for $32,695. The School District reported $543,597 more in expenditures in 2023 compared 2022.

The ESSER Special Revenue Fund had a deficit fund balance of $94,043, mainly due to revenue not being available for current period expenditure reimbursements.

General Fund Budgeting Highlights

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

During the course of fiscal year 2023, the School District did not amend its General Fund estimated revenues or appropriations. The School District closely monitors its resources and uses and, if necessary, modifies the budgetary documents on a timely basis.

For the General Fund, total revenue was $12,278,344, above estimates of $11,335,600. Appropriations were $15,258,154. Actual expenditures were under appropriations by $2,148,070 due to the School District monitoring their spending during fiscal year 2023.

The School District's ending General Fund budgetary balance was $5,866,179.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the School District had $6,566,523 invested in land, construction in progress, buildings and improvements, furniture and equipment, and vehicles. See Note 10 for more detailed information of the School District's capital assets. Table 4 shows fiscal year 2023 balances compared to fiscal year 2022.

Table 4 - Capital Assets
(Net of Depreciation)

	Government Activities	
	2023	2022
Land	$810,183	$810,183
Construction in Progress	112,604	360,954
Buildings and Improvements	4,842,936	3,499,864
Vehicles	530,112	410,220
Furniture and Equipment	270,688	239,772
Totals	$6,566,523	$5,320,993

Debt

At June 30, 2023, the School District had $677,113 in energy conservation bonds and an energy conservation loan outstanding. Table 5 shows fiscal year 2023 balances compared to fiscal year 2022.

Table 5 - Outstanding Debt

	Governmental Activites	
	2023	2022
Energy Conservation Bonds	$503,722	$544,398
Energy Conservation Loan	173,391	196,188
Totals	$677,113	$740,586

See Note 17 for more information on the School District's long-term liabilities. The net pension/OPEB liability under GASB 68 and GASB 75 is also reported as a long-term obligation that has been previously disclosed within the management's discussion and analysis.

Economic Factors

The School District has experienced increases in net position during the last five fiscal years. The School District's net position increased by $1,408,029 during fiscal year 2019 due to a decrease in the net pension/OPEB liability and an increase in net OPEB asset. The School District's net position increased by $881,814 during fiscal year 2020 due to a decrease in the net pension/OPEB liability. The School District's net position increased by $537,753 during fiscal year 2021 due to the decrease in the net pension/OPEB liability. The School District's net position increased by $924,595 in fiscal year 2022 due to the decrease in the net pension/OPEB liability. The School District's net position increased by $395,945 for fiscal year 2023.

The Board of Education and Administration closely monitor the School District's revenues and expenses in accordance with its financial forecast and work to prudently utilize, efficiently and effectively, the tax dollars and other resources available.

The School District still faces many challenges in today's environment. The School District anticipates an increase in State Revenue and property tax revenues throughout the most recent 5-year forecast. Although revenues are projected to increase, the School District's most recent Board of Education approved five-year forecast reflects deficit spending as expenditures are still projected to outpace revenues.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Taylor Clark, Treasurer at Caldwell Exempted Village School District, 516 Fairground St., Caldwell, Ohio 43724.

Caldwell Exempted Village School District, Ohio
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$5,948,602
Cash and Cash Equivalents with Fiscal Agents	2,762,047
Accounts Receivable	2,263
Intergovernmental Receivable	879,790
Prepaid Items	65,583
Inventory Held for Resale	8,608
Property Taxes Receivable	5,615,370
Net OPEB Asset	847,150
Nondepreciable Capital Assets	922,787
Depreciable Capital Assets, Net	5,643,736
Total Assets	22,695,936
Deferred Outflows of Resources	
Pension	2,773,818
OPEB	354,768
Total Deferred Outflows of Resources	3,128,586
Liabilities	
Accounts Payable	109,815
Accrued Wages and Benefits Payable	940,151
Contracts Payable	359
Unearned Revenue	147,816
Intergovernmental Payable	403,582
Accrued Interest Payable	654
Matured Compensated Absences Payable	22,450
Claims Payable	168,200
Long-Term Liabilities:	
Due Within One Year	108,068
Due In More Than One Year:	
Net Pension Liability	9,536,476
Net OPEB Liability	601,593
Other Amounts	992,377
Total Liabilities	13,031,541
Deferred Inflows of Resources	
Property Taxes	3,842,186
Pension	796,006
OPEB	1,369,193
Total Deferred Inflows of Resources	6,007,385
Net Position	
Net Investment in Capital Assets	5,889,051
Restricted for:	
Capital Projects	2,441
Student Activities	58,550
State Programs	43,280
Federal Programs	4,198
Classroom Facilities	2,965
OPEB Plan	203,422
Unclaimed Monies	5,768
Unrestricted	575,921
Total Net Position	$6,785,596

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio

Statement of Activities

For the Fiscal Year Ended June 30, 2023

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants, Contributions, and Interest	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities				
Instruction:				
Regular	$4,943,630	$53,603	$1,009,105	(3,880,922)
Special	2,819,497	0	960,372	(1,859,125)
Vocational	521,119	0	512,675	(8,444)
Support Services:				
Pupils	974,092	37,841	323,073	(613,178)
Instructional Staff	546,243	0	167,147	(379,096)
Board of Education	60,559	0	0	(60,559)
Administration	1,426,264	0	66,506	(1,359,758)
Fiscal	432,677	0	0	(432,677)
Business	3,335	0	0	(3,335)
Operation and Maintenance of Plant	1,262,317	0	189,572	(1,072,745)
Pupil Transportation	893,962	2,815	561,926	(329,221)
Central	10,916	0	0	(10,916)
Operation of Non-Instructional Services:				
Food Service Operations	614,588	99,483	371,649	(143,456)
Community Services	61,511	40,925	12,312	(8,274)
Extracurricular Activities	389,972	127,318	21,030	(241,624)
Interest	8,324	0	0	(8,324)
Total Governmental Activities	$14,969,006	$361,985	$4,195,367	(10,411,654)
	General Revenues			
	Property Taxes Levied for General Purposes			5,544,675
	Payments in Lieu of Taxes for General Purposes			8,168
	Grants and Entitlements not Restricted to Specific Programs			4,916,483
	Investment Earnings			240,494
	Donations not Restricted to Specific Programs			25,500
	Gain on Sale of Capital Assets			5,500
	Miscellaneous			66,779
	Total General Revenues			10,807,599
	Change in Net Position			395,945
	Net Position Beginning of Year			6,389,651
	Net Position End of Year			$6,785,596

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio
Balance Sheet
Governmental Funds
June 30, 2023

	General	ESSER	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$5,588,078	$0	$354,756	$5,942,834
Accounts Receivable	542	0	1,721	2,263
Interfund Receivable	589,692	0	0	589,692
Intergovernmental Receivable	41,917	452,307	385,566	879,790
Prepaid Items	65,198	0	385	65,583
Inventory Held for Resale	0	0	8,608	8,608
Property Taxes Receivable	5,615,370	0	0	5,615,370
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	5,768	0	0	5,768
Total Assets	$11,906,565	$452,307	$751,036	$13,109,908
Liabilities, Deferred Inflows of Resources, and Fund Balances Liabilities				
Accounts Payable	$94,472	$3,047	$12,296	109,815
Accrued Wages and Benefits Payable	692,864	187,083	60,204	940,151
Contracts Payable	359	0	0	359
Unearned Revenue	0	0	147,816	147,816
Interfund Payable	0	259,181	330,511	589,692
Intergovernmental Payable	301,039	5,035	97,508	403,582
Matured Compensated Absences Payable	22,450	0	0	22,450
Total Liabilities	1,111,184	454,346	648,335	2,213,865
Deferred Inflows of Resources				
Property Taxes	3,842,186	0	0	3,842,186
Unavailable Revenue	286,125	92,004	255,423	633,552
Total Deferred Inflows of Resources	4,128,311	92,004	255,423	4,475,738
Fund Balances (Deficits)				
Nonspendable	70,966	0	385	71,351
Restricted	0	0	95,187	95,187
Committed	11,890	0	0	11,890
Assigned	2,945,910	0	9,071	2,954,981
Unassigned (Deficit)	3,638,304	(94,043)	(257,365)	3,286,896
Total Fund Balances (Deficits)	6,667,070	(94,043)	(152,722)	6,420,305
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$11,906,565	$452,307	$751,036	$13,109,908

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2023

Total Governmental Fund Balances		$6,420,305
Amounts reported for governmental activities in the statement of net position are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		6,566,523
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds:		
Delinquent Property Taxes	248,370	
Intergovernmental Revenues	345,899	
Miscellaneous Revenues	39,283	633,552
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal fund are included in governmental activities in the statement of net position.		2,593,847
Accrued Interest Payable is recognized for outstanding long-term liabilities with interest accrual that are not expected to be paid with expendable available financial resources and therefore are not reported in the funds.		(654)
The net pension liability, net OPEB asset, and net OPEB liability is not due and payable in the current period; therefore, the asset, the liabilities and related deferred inflows/outflows are not reported in the funds:		
Net OPEB Asset	847,150	
Deferred Outflows - Pension	2,773,818	
Deferred Outflows - OPEB	354,768	
Net Pension Liability	(9,536,476)	
Net OPEB Liability	(601,593)	
Deferred Inflows - Pension	(796,006)	
Deferred Inflows - OPEB	(1,369,193)	(8,327,532)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Energy Conservation Bonds Payable	(503,722)	
Energy Conservation Loan Payable	(173,391)	
Compensated Absences Payable Payable	(423,332)	(1,100,445)
Net Position of Governmental Activities		$6,785,596

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2023

	General	ESSER	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	$5,557,860	$0	$0	$5,557,860
Intergovernmental	6,293,688	1,659,546	1,142,419	9,095,653
Investment Earnings	215,364	0	0	215,364
Tuition and Fees	46,636	0	0	46,636
Rent	1,500	0	0	1,500
Extracurricular Activities	40,656	0	127,318	167,974
Charges for Services and Sales	0	0	99,483	99,483
Gifts and Donations	28,300	0	21,030	49,330
Payments in Lieu of Taxes	8,168	0	0	8,168
Miscellaneous	61,049	0	4,344	65,393
Total Revenues	12,253,221	1,659,546	1,394,594	15,307,361
Expenditures				
Current:				
Instruction:				
Regular	3,653,563	938,664	55,106	4,647,333
Special	2,225,943	138,939	415,862	2,780,744
Vocational	302,844	192,154	5,504	500,502
Support Services:				
Pupils	751,090	204,868	5,653	961,611
Instructional Staff	496,908	0	42,780	539,688
Board of Education	60,953	0	0	60,953
Administration	1,331,917	65,502	0	1,397,419
Fiscal	463,834	0	0	463,834
Business	3,335	0	0	3,335
Operation and Maintenance of Plant	1,067,730	0	271,110	1,338,840
Pupil Transportation	892,232	10,780	90,000	993,012
Central	11,004	0	0	11,004
Operation of Non-Instructional Services:				
Food Service Operations	277	0	641,284	641,561
Community Services	0	0	8,946	8,946
Extracurricular Activities	202,484	0	175,852	378,336
Capital Outlay	1,189,018	0	21,600	1,210,618
Debt Service:				
Principal Retirement	63,473	0	0	63,473
Interest	8,400	0	0	8,400
Total Expenditures	12,725,005	1,550,907	1,733,697	16,009,609
Excess of Revenues Over (Under) Expenditures	(471,784)	108,639	(339,103)	(702,248)
Other Financing Sources (Use)				
Proceeds from Sale of Capital Assets	5,500	0	0	5,500
Transfers In	0	0	83,164	83,164
Transfers Out	(83,164)	0	0	(83,164)
Total Other Financing Sources (Use)	(77,664)	0	83,164	5,500
Net Change in Fund Balances	(549,448)	108,639	(255,939)	(696,748)
Fund Balances (Deficit) Beginning of Year	7,216,518	(202,682)	103,217	7,117,053
Fund Balances End of Year (Deficits)	$6,667,070	($94,043)	($152,722)	$6,420,305

See accompanying notes to the basic financial statements

Net Change in Fund Balances - Total Governmental Funds		($696,748)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital Outlay	1,635,005	
Current Year Depreciation	(389,475)	1,245,530
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Delinquent Property Taxes	(13,185)	
Intergovernmental Revenues	(7,633)	
Miscellaneous Revenues	6,853	(13,965)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		63,473
In the Statement of Activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expended when due.		76
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	920,529	
OPEB	32,261	952,790
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities:		
Pension	(1,256,311)	
OPEB	146,462	(1,109,849)
Expenses resulting from compensated absences in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		2,387
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. The net change of the internal service fund is reported with governmental activities.		(47,749)
Change in Net Position of Governmental Activities		$395,945

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Property Taxes	$5,152,771	$5,152,771	$5,581,311	$428,540
Intergovernmental	5,812,436	5,812,436	6,335,837	523,401
Interest	198,808	198,808	215,342	16,534
Tuition and Fees	46,465	46,465	50,329	3,864
Rent	1,385	1,385	1,500	115
Gifts and Donations	0	0	25,500	25,500
Payments in Lieu of Taxes	7,541	7,541	8,168	627
Miscellaneous	116,194	116,194	60,357	(55,837)
Total Revenues	11,335,600	11,335,600	12,278,344	942,744
Expenditures				
Current:				
Instruction:				
Regular	4,409,548	4,409,548	3,784,013	625,535
Special	2,578,614	2,578,614	2,221,184	357,430
Vocational	414,476	414,476	339,521	74,955
Support Services:				
Pupils	814,909	814,909	697,718	117,191
Instructional Staff	554,404	554,404	480,654	73,750
Board of Education	109,593	109,593	72,272	37,321
Administration	1,536,970	1,536,970	1,326,265	210,705
Fiscal	547,698	547,698	504,097	43,601
Business	3,877	3,877	3,335	542
Operation and Maintenance of Plant	1,322,871	1,322,871	1,176,364	146,507
Pupil Transportation	1,098,355	1,098,355	911,511	186,844
Central	13,226	13,226	11,618	1,608
Operation of Non-Instructional Services	14,132	14,132	12,997	1,135
Extracurricular Activities	248,985	248,985	201,927	47,058
Capital Outlay	1,506,209	1,506,209	1,294,735	211,474
Debt Service:				
Principal	75,211	75,211	63,473	11,738
Interest	9,076	9,076	8,400	676
Total Expenditures	15,258,154	15,258,154	13,110,084	2,148,070
Excess of Revenues Under Expenditures	(3,922,554)	(3,922,554)	(831,740)	3,090,814
Other Financing Source (Uses)				
Refund of Prior Year Expenditures	0	0	26,989	26,989
Proceeds from Sale of Capital Assets	0	0	5,500	5,500
Transfers Out	(94,973)	(94,973)	(80,971)	14,002
Total Other Financing Source (Uses)	(94,973)	(94,973)	(48,482)	46,491
Net Change in Fund Balance	(4,017,527)	(4,017,527)	(880,222)	3,137,305
Fund Balance Beginning of Year	6,400,320	6,400,320	6,400,320	0
Prior Year Encumbrances Appropriated	346,081	346,081	346,081	0
Fund Balance End of Year	$2,728,874	$2,728,874	$5,866,179	$3,137,305

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Elementary Secondary School Emergency Relief
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$2,110,387	$2,110,387	$1,299,243	($811,144)
Expenditures				
Current:				
Instruction:				
Regular	1,328,814	1,328,814	942,525	386,289
Special	175,652	175,652	138,574	37,078
Vocational	232,511	232,511	183,431	49,080
Support Services:				
Pupils	217,964	217,964	171,955	46,009
Administration	79,369	79,369	62,615	16,754
Pupil Transportation	11,172	11,172	8,814	2,358
Operation of Non-Instructional Services	3,799	3,799	8,100	(4,301)
Total Expenditures	2,049,281	2,049,281	1,516,014	533,267
Net Change in Fund Balance	61,106	61,106	(216,771)	(277,877)
Fund Balance Beginning of Year	(188,182)	(188,182)	(188,182)	0
Prior Year Encumbrances Appropriated	137,774	137,774	137,774	0
Fund Balance End of Year	$10,698	$10,698	($267,179)	($277,877)

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio
Statement of Fund Net Position
Health Self-Insurance Internal Service Fund
June 30, 2023

Current Assets	
Cash and Cash Equivalents with Fiscal Agents	$2,762,047
Current Liabilities	
Claims Payable	168,200
Net Position	
Unrestricted	$2,593,847

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Position
Health Self-Insurance Internal Service Fund
For the Fiscal Year Ended June 30, 2023

Operating Revenues	
Charges for Services	$2,839,512
Miscellaneous	49,883
Total Operating Revenues	2,889,395
Operating Expenses	
Purchased Services	693,489
Claims	2,268,785
Total Operating Expenses	2,962,274
Operating Loss	(72,879)
Non-Operating Revenue	
Interest	25,130
Change in Net Position	(47,749)
Net Position Beginning of Year	2,641,596
Net Position End of Year	$2,593,847

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio
Statement of Cash Flows
Health Self-Insurance Internal Service Fund
For the Fiscal Year Ended June 30, 2023

Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Transactions with Other Funds	$2,839,512
Miscellaneous Revenues	49,883
Cash Payments for Goods and Services	(693,489)
Cash Payments for Claims	(2,325,185)
Net Cash Used for Operating Activities	(129,279)
Cash Flows from Investing Activities	
Interest on Investments	25,130
Net Decrease in Cash and Cash Equivalents	(104,149)
Cash and Cash Equivalents Beginning of Year	2,866,196
Cash and Cash Equivalents End of Year	$2,762,047
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	($72,879)
Decrease in Claims Payable	(56,400)
Net Cash Used for Operating Activities	($129,279)

See accompanying notes to the basic financial statements

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Note 1 - Description of the School District and Reporting Entity

Caldwell Exempted Village School District (the School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter and further mandated by State and federal agencies.

The School District is located in Caldwell, Ohio, in Noble County, and also consists of Aurelius Township in Washington County. The Board of Education controls the School District's three instructional/support facilities staffed by 56 classified employees and 74 certified full-time teaching personnel who provide services to 723 students and other community members.

Reporting Entity

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

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

The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (OME-RESA) and the Mid-East Career and Technology Centers, which are defined as jointly governed organizations; the Ohio School Plan (OSP), which is defined as a group insurance purchasing pool; the South Central Ohio Insurance Consortium, which is defined as a risk sharing, claims servicing, and insurance purchasing pool; and is associated with the Caldwell Public Library, which is defined as a Related Organization. Additional information concerning these organizations is presented in Notes 18 and 19.

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. These statements usually distinguish between those activities of the School District that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). The School District, however; has no business-type activities.

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

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

Fund Accounting

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

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

> **General Fund** The General Fund accounts for and reports all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose, provided it is expended and transferred according to the general laws of Ohio.

Elementary and Secondary School Emergency Relief (ESSER) Fund This fund accounts for and reports emergency relief grants to the School District in response to the COVID-19 pandemic. Grant restrictions include, but are not limited to, providing for coordination of preparedness and response efforts, training, and professional development of staff, planning and coordination during long-term closure, and purchasing technology for students.

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

Proprietary Fund Type Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. The School District's only proprietary fund type is an Internal Service Fund.

Health Self-Insurance Internal Service Fund The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for the operations of the School District's self-insurance program for employee medical, vision, prescription drug, and dental insurance claims. In addition, this fund accounts for insurance activity from outside participation related to the Caldwell Public Library.

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

Measurement Focus

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

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Fund Net Position.

For proprietary funds, the Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (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 School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from 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, investment earnings, tuition and fees, grants, charges for services, and rentals.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide Statement of Net Position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 15 and 16.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance year 2024 operations. These amounts have been recorded as deferred inflow on both the government-wide Statement of Net Position and the government fund financial statements. Unavailable revenue is reported only on the governmental funds Balance Sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants, and miscellaneous revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 18. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position (See Notes 15 and 16).

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

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

Cash and Cash Equivalents and Investments

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

The School District participates in the South Central Ohio Insurance Consortium for self-insurance. The School District also has debt proceeds held by a fiscal agent. These monies are held separate from the School District's central bank account and are reflected in the financial statements as "cash and cash equivalents with fiscal agents".

During fiscal year 2023, the School 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 School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment earnings credited to the General Fund during 2023 amounted to $215,364, which includes $7,876 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

Prepaid Items

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

Inventory

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

Capital Assets

The School District's only capital assets are general 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 in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost)) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year The School District was able to estimate the historical cost for the initial reporting of capital assets by back trending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

Description	Estimated Lives
Buildings and Improvements	20-50 Years
Vehicles	8 Years
Machinery, Equipment, Furniture, and Fixtures	5-20 Years

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund are classified as "interfund receivables/payables." These amounts are eliminated on the Statement of Net Position.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. A liability is recorded for vacation eligible employees after one year of service with the School District.

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

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, 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 fiscal 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. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

Internal Activity

Transfers within governmental activities are eliminated on the government-wide statements. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments of interfund services provided and used are not eliminated.

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

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 law through constitutional provisions or enabling legislation. Restricted assets represent unclaimed monies.

Fund Balance

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

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

Restricted: The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by State constitution or external resource providers. Fund balance is reported as restricted when constraints/ placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Education. Those committed amounts cannot be used for any other purpose unless the 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 the use in satisfying those contractual requirements.

Assigned: Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the School District Board of Education or a School District official delegated that authority by resolution or by State Statute. State statute authorizes the School District's Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Restricted net position OPEB plans represent the corresponding restricted asset amounts after considering the related deferred outflows and deferred inflows.

Pensions/Other Postemployment Benefits (OPEB)

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues and expenses not meeting this definition are reported as non-operating.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

Estimates

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

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the School District may appropriate.

The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds except the General Fund where the legal level of control is at the fund, function, and object level. The Treasurer maintains budgetary information at the fund, function, and object level and has the authority to allocate appropriations to the function and object level for all funds.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statement are based on estimates made before the end of the prior fiscal year. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the amended certificate in effect when final appropriations for the fiscal year were passed.

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

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The School District recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

Note 3 - Changes in Accounting Principles

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

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

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

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The School District did not have any long-term contracts that met the GASB 96 definition of a SBITA.

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

Note 4 - Fund Balances

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

Fund Balances	General Fund	ESSER Fund	Other Governmental Funds	Total
Nonspendable:				
Prepaid Items	$65,198	$0	$385	$65,583
Unclaimed Monies	5,768	0	0	5,768
Total Nonspendable	70,966	0	385	71,351
Restricted for:				
Student Activities	0	0	58,165	58,165
State Programs	0	0	31,975	31,975
Classroom Facilities	0	0	2,965	2,965
Capital Projects	0	0	2,082	2,082
Total Restricted	0	0	95,187	95,187
Committed for:				
Capital Improvements	11,890	0	0	11,890
Total Committed	11,890	0	0	11,890
Assigned to:				
Public School Support	35,287	0	0	35,287
Capital Improvements	0	0	9,071	9,071
Fiscal Year 2024 Appropriations	2,664,400	0	0	2,664,400
Purchases on Order	246,223	0	0	246,223
Total Assigned	2,945,910	0	9,071	2,954,981
Unassigned (Deficit)	3,638,304	(94,043)	(257,365)	3,286,896
Total Fund Balances (Deficits)	$6,667,070	($94,043)	($152,722)	$6,420,305

Note 5 - Fund Deficits

As of June 30, 2023, the following funds had a deficit fund balances:

Special Revenue Funds:	
IDEA Part B	$115,005
ESSER	94,043
Title I	92,556
Title II-A	29,514
Cafeteria	18,286
Title IV	2,004
	$351,408

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

Note 6 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

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

3. Encumbrances are treated as expenditures (budget) rather than assigned fund balance (GAAP).

4. Cash deficits and prepaid items are reported on the balance sheet (GAAP basis), but not on the budgetary basis.

5. Budgetary revenues and expenditures of the Public School Support Fund are reclassified to the General Fund for GAAP reporting.

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and the ESSER Fund:

Net Change in Fund Balance

	General Fund	ESSER Fund
GAAP Basis	($549,448)	$108,639
Net Adjustment for Revenue Accruals	685,574	(360,303)
Unreported Interest:		
End of Fiscal Year	(22)	0
Prepaid Items:		
Beginning of Fiscal Year	61,771	0
End of Fiscal Year	(65,198)	0
Net Adjustment for Expenditure Accruals	(210,900)	(216,290)
Debt Service:		
Principal	63,473	0
Interest	8,400	0
Cash Deficits	(589,692)	259,181
To Reclassify Excess of Revenues Over Expenditures into Financial Statement Fund Types	(2,130)	0
Encumbrances	(282,050)	(7,998)
Budget Basis	($880,222)	($216,771)

Note 7 - Deposits and Investments

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

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

Inactive deposits are public deposits that the Board 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.

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

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

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

3. Written repurchase agreements in the securities listed 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;

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

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

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

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

At June 30, 2023, the School District's internal service fund had a cash balance of $2,762,047 with South Central Ohio Insurance Consortium, a claims servicing pool (See Note 18). The balance is held by the claims administrator in a pooled account which is representative of numerous entities and therefore cannot be included in the risk disclosures reported by the School District. Disclosures for the South Central Ohio Insurance Consortium as a whole may be obtained from the consortium's fiscal agent.

Investments: As of June 30, 2023, the School District had the following investment:

	Measurement Amount	Maturity	Standard & Poor's Rating
Net Asset Value Per Share			
Star Ohio	$5,024,124	Average 38.5 days	AAAm

Interest Rate Risk: The School District's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years, and allows for the withdrawal of funds from approved public depositories or sell negotiable instruments prior to maturity in accord with the law. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk: STAR Ohio carries a rating of AAAm by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

Note 8 - Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar 2023 represents collections of calendar year 2022 taxes.

Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, the lien date.

Assessed values for real property taxes are established by State statute at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

The School District receives property taxes from Noble and Washington Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility taxes which are measurable as of June 30, 2023, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reflected as revenue at fiscal year-end.

The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2023, was $1,524,814 in the General Fund. At June 30, 2022, $1,548,265 was available as an advance in the General Fund.

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

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

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	$104,264,460	56.92%	$105,552,390	56.63%
Commerical/Industrial and Public Utility Real	21,797,120	11.90%	21,000,290	11.27%
Public Utility Personal	57,110,010	31.18%	59,844,910	32.11%
	$183,171,590	100.00%	$186,397,590	100.01%
Tax Rate per $1,000 of assessed valuation		$39.50	$39.50	

Note 9 - Receivables

Receivables at June 30, 2023, consisted primarily of property taxes, intergovernmental receivables arising from entitlements and shared revenues, and accounts (billings for service). All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except property taxes, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. The delinquent property taxes amounted to $248,370 as of June 30, 2023.

A summary of intergovernmental receivables is as follows:

	Amounts
Governmental Activities:	
ESSER	$452,307
COPS Grant	131,671
IDEA Part B	116,562
Title I	95,197
Foundation Adjustment	32,288
Title II	28,827
Pre Employment Transition Services	6,250
Agriculture Education 5th Quarter	5,055
Summer Youth Reimbursment	3,255
Title IV	2,004
Medicaid Reimbursment	722
Miscellaneous Reimbursment	5,652
Total	$879,790

Note 10 - Capital Assets

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

	Balance 06/30/2022	Additions	Deletions	Balance 06/30/2023
Nondepreciable Capital Assets:				
Land	$810,183	$0	$0	$810,183
Construction in Progress	360,954	1,071,992	1,320,342	112,604
Total Non-Depreciable Capital Assets	1,171,137	1,071,992	1,320,342	922,787
Depreciable Capital Assets:				
Buildings and Improvements	10,003,679	1,575,706	0	11,579,385
Vehicles	1,260,072	230,118	(117,090)	1,373,100
Machinery, Equipment, Furniture, and Fixtures	1,361,742	77,531	0	1,439,273
Total Capital Assets Being Depreciated	12,625,493	1,883,355	(117,090)	14,391,758
Less Accumulated Depreciation:				
Buildings and Improvements	(6,503,815)	(232,634)	0	(6,736,449)
Vehicles	(849,852)	(110,226)	117,090	(842,988)
Machinery, Equipment, Furniture, and Fixtures	(1,121,970)	(46,615)	0	(1,168,585)
Total Accumulated Depreciation	(8,475,637)	(389,475) *	117,090	(8,748,022)
Total Depreciable Capital Assets, Net	4,149,856	1,493,880	0	5,643,736
Governmental Activities Capital Assets, Net	$5,320,993	$2,565,872	$1,320,342	$6,566,523

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$184,839
Special	970
Vocational	7,026
Support Services:	
Pupils	535
Instructional Staff	2,867
Fiscal	275
Operation and Maintenance of Plant	76,193
Pupil Transportation	105,474
Food Service Operations	3,815
Extracurricular Activities	7,481
Total Governmental Depreciation	$389,475

Note 11 - Interfund Transactions

Transfers

The General Fund transferred $49,004 and $32,695, respectively, to the Cafeteria Fund and District Managed Student Activity Special Fund, during fiscal year 2023. These transfers were made to move unrestricted balances to cover revenue shortfalls for the fiscal year of the funds' program operations. The General Fund also transferred $1,465 to Student Activity Special Revenue Fund to move Tribe account activity.

Interfund Balance

Interfund balances due to cash deficits at June 30, 2023, consist of the following individual interfund receivables and payables:

	Receivables	Payables
General Fund	$589,692	$0
ESSER Major Special Revenue Fund	0	259,181
Nonmajor Special Revenue Funds:		
Title I Grant	0	75,633
Title II-A Grant	0	27,984
Title IV- Grant	0	2,004
Title VI-B Grant	0	93,219
Miscellaneous Federal Grants	0	131,671
Total Nonmajor Special Revenue Funds	0	330,511
Total All Funds	$589,692	$589,692

Note 12 - Significant Commitments

Encumbrances

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

Governmental Funds:	
General Fund	$282,050
ESSER Special Revenue Fund	7,998
Nonmajor Funds	96,468
Total Governmental Funds	386,516
Proprietary Fund:	
Internal Service Fund	478,352
Total	$864,868

Contractual Commitments

As of June 30, 2023, the School District's contractual purchase commitments paid from the General Fund as follows:

Project	Contract Amount	Amount Expended	Balance at 06/30/2023
Paging and Cabling System	$120,974	$83,626	$37,348
Field House*	28,978	28,978	0
	$149,952	$112,604	$37,348

*Amount is only the planning phase

Note 13 - Risk Management

Property and Liability

The School 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 2023, the School District contracted with Ohio School Plan, through Hylant Administrative Services, LLC, for property, crime insurance, general liability insurance, and fleet insurance. During fiscal year 2023, the School District purchased the following coverage:

<u>State National Insurance Company, Inc</u>	
Building and Contents-replacement cost ($2,500 deductible)	$43,095,459
Crime Insurance	
Forgery or Alterations Coverage ($1,000 deductible)	25,000
Employee Theft ($1,000 deductible)	75,000
General Liability	
Per occurrence	2,000,000
Aggregate Per Year	$4,000,000

Medical Expense	10,000
Violent Event Response	
Aggregate Limit	1,000,000
Each Event	1,000,000
Education Umbrella Liability Policy	
For General Liability	
Per occurrence	1,000,000
Aggregate Per Year	1,000,000
Automobile Insurance ($2,500 Comprehensive/ $2,500 Collision)	2,000,000
Uninsured Motorists	1,000,000
Medical Payments	5,000
Treasurer Bond	75,000
Travelers Casualty and Surety Company of America	
Superintendent and Board President Bond (Each)	25,000

Settled claims have not exceeded their commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from the prior year.

Workers' Compensation

For fiscal year 2023, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sedgwick Claims Management Services, Inc. provides administrative, cost control, and actuarial services to the GRP.

Medical/Surgical, Dental, Vision, and Prescription Drug Insurances

Medical/surgical, dental, and vision insurance is offered to employees through a self-insurance internal service fund. The School District pays all but $15 per month for single and $30 for family for classified employees and all but $25 per month for single and $50 for family for certified employees in premiums for basic medical insurance. In addition, the School District pays the entire premium for dental, life, and prescription drug coverage and covers one-half of the cost of vision insurance for all employees. The School District is a member of a claims servicing pool in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. The School District's stop loss amount per person is $100,000 for fiscal year 2023. The claims liability of $168,200 reported in the internal service fund at June 30, 2023, is based on an estimate provided by the third arty administrator and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims cost, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by the incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in claims activity for 2022 and 2023 were:

	Balance Beginning of Fiscal Year	Current Fiscal Year Claims	Claim Payments	Balance End of Fiscal Year
2022	$169,600	$2,644,898	$2,589,898	$224,600
2023	224,600	2,268,745	2,325,145	168,200

Note 14 - Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators who are contracted to work on an eleven or twelve month basis earn ten to twenty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and administrators who work less an eleven or twelve month basis do not earn vacation time. Certified and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to 240 days for certified employees and up to 230 days for classified employees. Upon retirement, certified employees receive payment for one-fourth of the total sick leave accumulation up to a maximum of 50 days plus one additional day for every three years spent in the School District. Classified employees, upon retirement, receive a severance payment for one-fourth of the total sick leave accumulation up to 36 total paid days plus one and one-half days for every three years of continuous employment leading up to retirement.

Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to employees through MetLife Insurance Company in the amount of $200,000 for the Treasurer, $250,000 for the superintendent, and $15,000 for all other employees.

Note 15 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Assets)

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the fiscal year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 16 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2023.

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

The School District's contractually required contribution to SERS was $253,348 for fiscal year 2023. Of this amount, $87,308 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries.

STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on the final average salary multiplied by a percentage that varies based on years of service.

Effective August 1, 2015, the calculation is 2.2 percent of the final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of-living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

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

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

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

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

The School District's contractually required contribution to STRS was $667,181 for fiscal year 2023. Of this amount, $124,398 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.041847900%	0.032716930%	
Prior Measurement Date	0.039343500%	0.031082189%	
Change in Proportionate Share	0.002504400%	0.001634741%	
Proportionate Share of the Net Pension Liability	$2,263,460	$7,273,016	$9,536,476
Pension Expense	$270,228	$986,083	$1,256,311

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$91,672	$93,104	$184,776
Changes of assumptions	22,333	870,362	892,695
Net difference between projected and actual earnings on pension plan investments	0	253,085	253,085
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	161,675	361,058	522,733
School District contributions subsequent to the measurement date	253,348	667,181	920,529
Total Deferred Outflows of Resources	$529,028	$2,244,790	$2,773,818
Deferred Inflows of Resources			
Differences between expected and actual experience	$14,859	$27,822	$42,681
Changes of assumptions	0	655,132	655,132
Net difference between projected and actual earnings on pension plan investments	78,984	0	78,984
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	0	19,209	19,209
Total Deferred Inflows of Resources	$93,843	$702,163	$796,006

$920,529 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 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:			
2024	$117,442	$147,905	$265,347
2025	45,968	77,581	123,549
2026	(112,831)	(87,642)	(200,473)
2027	131,258	737,602	868,860
Total	$181,837	$875,446	$1,057,283

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2022, are presented below:

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

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females.

Mortality among disabled members was based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

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

Discount Rate The total pension liability for 2022 was calculated using the discount rate of 7.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute.

Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$3,331,705	$2,263,460	$1,363,478

Actuarial Assumptions - STRS

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

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

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

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

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

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

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	26.00%	6.60%
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00%	

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

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

Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$10,986,878	$7,237,016	$4,132,237

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System, or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2023, no Board Members have elected Social Security. The contribution rate would be 6.2 percent of wages.

Note 16 - Defined Benefit OPEB Plans

See Note 15 for a description of the net OPEB liability.

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund healthcare benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the School District's surcharge obligation was $32,261.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was $32,261 for fiscal year 2023; all is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan.

Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2023, 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, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.042848300%	0.032716930%	
Prior Measurement Date	0.040625800%	0.031082189%	
Change in Proportionate Share	0.002222500%	0.001634741%	
Proportionate Share of the:			
Net OPEB Liability	$601,593	$0	$601,593
Net OPEB (Asset)	$0	($847,150)	($847,150)
OPEB Expense	($12,027)	($134,435)	($146,462)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$5,057	$12,281	$17,338
Changes of assumptions	95,691	36,086	131,777
Net difference between projected and actual earnings on OPEB plan investments	3,127	14,747	17,874
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	132,990	22,528	155,518
School District contributions subsequent to the measurement date	32,261	0	32,261
Total Deferred Outflows of Resources	$269,126	$85,642	$354,768
Deferred Inflows of Resources			
Differences between expected and actual experience	$384,824	$127,226	$512,050
Changes of assumptions	246,959	600,711	847,670
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	8,040	1,433	9,473
Total Deferred Inflows of Resources	$639,823	$729,370	$1,369,193

$32,261 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	($91,925)	($176,071)	($267,996)
2025	(94,965)	(189,173)	(284,138)
2026	(81,801)	(90,263)	(172,064)
2027	(45,655)	(37,969)	(83,624)
2028	(31,783)	(49,612)	(81,395)
Thereafter	(56,829)	(100,640)	(157,469)
Total	($402,958)	($643,728)	($1,046,686)

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

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

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

Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

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

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 15.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08 percent. The discount rate used to measure total OPEB liability prior to June 30, 2021, was 2.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022, and the June 30, 2021, total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69 percent at June 30, 2022, and 1.92 percent at June 30, 2021.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the healthcare cost trend rate.

The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate:

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
School District's proportionate share of the net OPEB liability	$747,190	$601,593	$484,060

	1% Decrease (6.00 % decreasing to 3.40%)	Current Trend Rate (7.00 % decreasing to 4.40%)	1% Increase (8.00 % decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	$463,937	$601,593	$781,397

Actuarial Assumptions – STRS

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

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

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

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

For 2021, healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates, thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

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

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 15.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	($738,168)	($847,150)	($901,956)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	($878,701)	($847,150)	($807,325)

Note 17 - Long-Term Obligations

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

	Amounts Outstanding 06/30/2022	Additions	Deductions	Amounts Outstanding 06/30/2023	Amounts Due within One Year
2020 Energy Conservation:					
Bonds	$544,398	$0	$40,676	$503,722	$40,880
Loan	196,188	0	22,797	173,391	23,486
Total Energy Conservation Debt	740,586	0	63,473	677,113	64,366
Net Pension Liability:					
SERS	1,451,661	811,799	0	2,263,460	0
STRS	3,974,137	3,298,879	0	7,273,016	0
Total Net Pension Liability	5,425,798	4,110,678	0	9,536,476	0
Net OPEB Liability - SERS	768,876	0	167,283	601,593	0
Compensated Absences	425,719	51,869	54,256	423,332	43,702
Total Long-Term Obligations	$7,360,979	$4,162,547	$285,012	$11,238,514	$108,068

During fiscal year 2020, the School District issued Energy Conservation Bonds up to the amount of $605,565 with an interest rate of 0.25 percent. The bonds will be repaid using energy savings in the General Fund.

Principal and interest requirements to retire the debt outstanding at June 30, 2023, are as follows:

Fiscal Year	Energy Conservation Bonds	
Ending	Principal	Interest
2024	$40,880	$2,467
2025	41,085	2,262
2026	41,290	2,057
2027	41,497	1,850
2028	41,704	1,642
2029 - 2033	211,676	5,061
2034 - 2035	85,590	534
	$503,722	$15,873

During fiscal year 2020, the School District issued a fifteen year $245,000 note at a fixed interest rate of 3.010 percent. The note was backed by the full faith and credit of the School District. The repayments are to be made from utility savings in the General Fund.

Principal and interest requirements to retire the debt outstanding at June 30, 2023, are as follows:

Fiscal Year	Energy Conservation Loan	
Ending	Principal	Interest
2024	$23,486	$5,039
2025	24,224	4,300
2026	24,973	3,552
2027	25,744	2,782
2028	26,534	1,987
2029-2030	48,430	1,489
	$173,391	$19,149

The overall debt margin of the School District as of June 30, 2023, was $16,779,383, with an unvoted debt margin of $186,438.

The compensated absences will be paid from the General Fund. The School District pays obligations related to employee compensation from the fund benefitting from their service. There are no repayment schedules for the net pension or OPEB liabilities. However, employer pension contributions are made from the following funds: General Fund and the Food Service, Idea B, Title I, and Title II-A Special Revenue Funds. For additional information related to the net pension or net OPEB liabilities, see Note 15 or Note 16 respectively.

Note 18 - Jointly Governed Organizations and Public Entity Risk Pools

Jointly Governed Organizations

The **Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (OME-RESA)** was created as a separate regional council of governments pursuant to State statutes. OME-RESA operates under the direction of a Board comprising a representative from each participating school district. The Board exercises total control over the operations of OME-RESA including budgeting, appropriating, contracting, and designating management. Each participants control is limited to its representation on the Board. OME-RESA provides information technology and internet access to member districts, as well as cooperative purchasing programs. During fiscal year 2023, the total amount paid to OME-RESA from the School District was $37,407 for technology services and financial accounting services and educational management information. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency at 2230 Sunset Blvd., Steubenville, Ohio 43952.

The **Mid-East Career and Technology Centers** is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the 13 participating school districts' elected boards. The Board possesses its own budgeting and taxing authority. The Board controls the financial activity of the Joint Vocational School District. To obtain financial information write to the Mid-East Career and Technology Centers at 400 Richard Rd., Zanesville, Ohio 45701.

Public Entity Risk Pools

The School District is a member of the **South Central Ohio Insurance Consortium** (SCOIC), an insurance purchasing pool. The SCOIC's primary purpose and objective is establishing and carrying out a cost-effective cooperative health program for its member organizations. The governing board consists of the superintendent or other designee appointed by each of the members of SCOIC.

Members include 23 public entities with approximately 4,000 employee lives covered for medical and prescription benefits with 51 different plan designs in place as well as dental, vision, life, and accidental death and dismemberment insurances. The Bloom Carroll Local School District serves as the fiscal agent for the SCOIC.

The SCOIC members are considered self-insured and pay a month premium to SCOIC that is actuarially calculated based on the participants'' actual claims experience which are utilized for the payment of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. An additional fee is paid for the participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate or participation, and in the event of a surplus, the internal pool pays dividends to participants. SCOIC members participate in the shared risk pool through the Jefferson Health Plan for individual claims from $100,000 to $200,000. SCOIC members are then covered under stop loss coverage for claims over $200,000 from IOA-Re. In the event that the School District would withdraw from SCOIC, the School District would be required to give a 180-day notice prior to the end of their three-year contract, be responsible for all run-out claims, and would have no tights to share in any surplus funds of SCOIC. To obtain financial information for the SCOIC, write to the fiscal agent, Bloom Carroll Local School District, 5240 Plum Road NW, Carroll, Ohio 43112.

The School District participates in the **Ohio School Plan** (OSP), an insurance purchasing pool. The Ohio School Plan (OSP) is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a thirteen-member Board of directors consisting of school district superintendents and treasurers, as well as the president of Harcum-Hyre Insurance Agency, Inc. and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Harcum-Hyre Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between OSP and member schools.

Note 19 - Related Organization

The **Caldwell Public Library** is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Caldwell Exempted Village School District as presented by the Library. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Caldwell Public Library at 517 Spruce Street, P.O. Box 230, Caldwell, Ohio 43724-0230.

Note 20 - Contingencies

Grants

The School 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 the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds.

However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2023.

Litigation

As of June 30, 2023, the School District is currently not a party to any material legal proceedings.

Note 21 - Set-Asides

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the acquisition and construction of capital improvements.

Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years. In prior fiscal years, the School District was also required to set-aside money for textbooks.

Effective April 10, 2001, through Amended Substitute Senate Bill 345, the requirement for School Districts to establish and appropriate money for the budget stabilization was deleted from law. The School District may still establish reserve balance accounts consistent with Section 5705.13, Revised Code if it so chooses; however, the requirement is no longer mandatory.

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

	Capital Improvements
Set-aside Balance as of June 30, 2022	$0
Current Year Set-aside Requirement	171,921
Offsetting Credits	0
Qualifying Disbursements	(1,259,636)
Total	($1,087,715)
Set-aside Balance Carried Forward to Future Fiscal Years	$0

The School District had qualifying disbursements during the fiscal year that reduced the set-aside amount below zero. The excess in the capital maintenance set-aside may not be carried forward to reduce the set-aside requirement in future years.

Note 22 - COVID-19

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

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

	2023	2022	2021	2020	2019
School District's Proportion of the Net Pension Liability	0.04184790%	0.03934350%	0.03610550%	0.03537460%	0.03645610%
School District's Proportionate Share of the Net Pension Liability	$2,263,460	$1,451,661	$2,388,094	$2,116,524	$2,087,909
School District's Covered Payroll	$1,736,314	$1,398,336	$1,253,693	$1,216,370	$1,202,674
School District's Proportionate Share of the Pension Liability as a Percentage of its Covered Payroll	130.36%	103.81%	190.48%	174.00%	173.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	71.36%	71.36%

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

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014
0.03468660%	0.03334090%	0.03286280%	0.03363300%	0.03363300%
$2,072,448	$2,440,247	$1,875,185	$1,702,147	$2,000,047
$1,075,729	$1,037,500	$995,683	$966,479	$924,336
192.66%	235.20%	188.33%	176.12%	216.38%
69.50%	62.98%	69.16%	71.70%	65.52%

Caldwell Exempted Village School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
*Last Ten Fiscal Years**

	2023	2022	2021	2020	2019
School District's Proportion of the Net Pension Liability	0.032716930%	0.031082189%	0.030139780%	0.030302190%	0.029504570%
School District's Proportionate Share of the Net Pension Liability	$7,273,016	$3,974,137	$7,292,753	$6,701,147	$6,487,393
School District's Covered Payroll	$4,306,350	$3,857,029	$3,654,336	$3,578,350	$3,383,179
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	168.89%	103.04%	199.56%	187.27%	191.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.09%	87.80%	75.50%	77.30%	77.30%

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

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014
0.029186820%	0.027084940%	0.029198080%	0.027219660%	0.027219660%
$6,933,392	$9,066,146	$8,069,496	$6,620,763	$7,886,610
$3,103,429	$3,253,214	$2,996,643	$2,776,731	$3,033,146
223.41%	278.68%	269.28%	238.44%	260.01%
75.30%	66.80%	72.10%	74.70%	69.30%

Caldwell Exempted Village School District, Ohio

Required Supplementary Information

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

School Employees Retirement System of Ohio

*Last Seven Fiscal Years (1)**

	2023	2022	2021	2020
School District's Proportion of the Net OPEB Liability	0.042848300%	0.040625800%	0.037594200%	0.036287770%
School District's Proportionate Share of the Net OPEB Liability	$601,593	$768,876	$817,045	$912,560
School District's Covered Payroll	$1,736,314	$1,398,336	$1,253,693	$1,216,370
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	34.65%	54.99%	65.17%	75.02%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%	13.57%

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

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

See accompanying notes to the required supplementary information

2019	2018	2017
0.036947200%	0.035072000%	0.033803900%
$1,025,016	$941,240	$963,536
$1,202,674	$1,075,729	$1,037,500
85.23%	87.50%	92.87%
13.57%	12.46%	11.49%

Caldwell Exempted Village School District, Ohio

Required Supplementary Information

Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)

State Teachers Retirement System of Ohio

*Last Seven Fiscal Years (1)**

	2023	2022	2021	2020
School District's Proportion of the Net OPEB Liability (Asset)	0.032716930%	0.031082189%	0.030139780%	0.030302190%
School District's Proportionate Share of the Net OPEB Liability (Asset)	($847,150)	($655,343)	($529,706)	($501,877)
School District's Covered Payroll	$4,306,350	$3,857,029	$3,654,336	$3,578,350
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-19.67%	-16.99%	-14.50%	-14.03%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	230.70%	174.70%	191.00%	176.00%

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

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

See accompanying notes to the required supplementary information

2019	2018	2017
0.029504570%	0.029186820%	0.027084940%
($474,108)	$1,138,762	$1,448,510
$3,383,179	$3,103,429	$3,253,214
-14.01%	36.69%	44.53%
176.00%	47.10%	37.30%

Caldwell Exempted Village School District, Ohio

Required Supplementary Information

Schedule of the School District's Contributions

School Employees Retirement System of Ohio

Last Ten Fiscal Years

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	$253,348	$243,084	$195,767	$175,517
Contributions in Relation to the Contractually Required Contribution	(253,348)	(243,084)	(195,767)	(175,517)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$1,809,269	$1,586,664	$1,398,336	$1,253,693
Pension Contributions as a Percentage of Covered Payroll	14.00%	15.32%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution (2)	$32,261	$28,281	$26,364	$14,983
Contributions in Relation to the Contractually Required Contribution	(32,261)	(28,281)	(26,364)	(14,983)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	1.78%	1.78%	1.89%	1.20%
Total Contributions as a Percentage of Covered Payroll (2)	15.79%	17.10%	15.89%	15.20%

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
$164,210	$162,361	$150,602	$145,250	$131,231	$133,954
(164,210)	(162,361)	(150,602)	(145,250)	(131,231)	(133,954)
$0	$0	$0	$0	$0	$0
$1,216,370	$1,202,674	$1,075,729	$1,037,500	$995,683	$966,479
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%
$28,398	$25,807	$18,528	$17,176	$25,497	$18,380
(28,398)	(25,807)	(18,528)	(17,176)	(25,497)	(18,380)
$0	$0	$0	$0	$0	$0
2.33%	2.15%	1.72%	1.66%	2.56%	1.90%
15.83%	15.65%	15.72%	15.66%	15.74%	15.76%

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

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	$667,181	$602,889	$539,984	$511,607
Contributions in Relation to the Contractually Required Contribution	(667,181)	(602,889)	(539,984)	(511,607)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$4,765,579	$4,306,350	$3,857,029	$3,654,336
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability (Asset)				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
$500,969	$473,645	$434,480	$455,450	$419,530	$360,975
(500,969)	(473,645)	(434,480)	(455,450)	(419,530)	(360,975)
$0	$0	$0	$0	$0	$0
$3,578,350	$3,383,179	$3,103,429	$3,253,214	$2,996,643	$2,776,731
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%
$0	$0	$0	$0	$0	$27,767
0	0	0	0	0	(27,767)
$0	$0	$0	$0	$0	$0
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

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

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

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

Beginning in 2022, amounts reported use mortality rates based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members was based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

Changes in Assumptions - STRS

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

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

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

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

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

Changes in Benefit Term – STRS Pension

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

Net OPEB Liability

Changes in Assumptions – SERS

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

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

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

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

Changes in Assumptions – STRS

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

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

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

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

Changes in Benefit Terms – STRS OPEB

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

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

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

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

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

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

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CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT
NOBLE COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education and Workforce			
Child Nutrition Cluster			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	2023	$32,785
Cash Assistance:			
School Breakfast Program	10.553	2023	171,228
National School Lunch Program	10.555	2023	231,529
COVID-19 National School Lunch Program	10.555	2023	22,729
Total Cash Assistance:			425,486
Total Child Nutrition Cluster			458,271
COVID-19 State Pandemic EBT Transfer Administrative Cost	10.649	2023	628
Total U.S. Department of Agriculture			458,899
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education and Workforce			
Title I Grants to Local Educational Agencies	84.010	2022	24,101
		2023	206,150
Expanding Opportunities for Each Child Non-Competitive	84.010A	2022	7,677
Total Title I Grants to Local Educational Agencies			237,928
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	2022	33,742
		2023	124,686
COVID-19 Special Education - Grants to States	84.027X	2023	12,480
Total Special Education - Grants to States			170,908
Special Education - Preschool Grants	84.173	2022	7,553
COVID-19 Special Education - Preschool Grants	84.173X	2022	2,980
Total Special Education - Preschool Grants			10,533
Total Special Education Cluster (IDEA)			181,441
Rural Education	84.358	2022	6,304
Supporting Effective Instruction State Grants	84.367	2022	18,009
		2023	27,297
Total Supporting Effective Instruction State Grants			45,306
Student Support and Academic Enrichment Program	84.424	2022	17,499
		2023	11,042
Total Support and Academic Enrichment Program			28,541
Education Stabilization Fund:			
Elementary and Second School Emergency Relief Fund (ESSER II)	84.425D	2023	121,417
ARP Elementary and Secondary School Emergency Relief Fund (ESSER III)	84.425U	2023	1,383,599
ARP Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	2023	2,997
Total Education Stabilization Fund:			1,508,013
Total U.S. Department of Education			2,007,533
U.S. DEPARTMENT OF JUSTICE			
Direct Program			
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-22GG-04153-SSIX	131,671
Total U.S. Department of Justice			131,671
U.S. DEPARTMENT OF TREASURY			
Passed Through Ohio Office of Budget and Management			
Coronavirus State and Local Fiscal Recovery Funds	21.027	2023	52,184
Total U.S. Department of Treasury			52,184
FEDERAL COMMUNICATIONS COMMISSION			
Direct Program			
Emergency Connectivity Fund Program	32.009	2023	63,388
Total Federal Communications Commission			63,388
Total Expenditures of Federal Awards			**$2,713,675**

The accompanying notes are an integral part of this schedule.

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

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

Caldwell Exempted Village School District
Noble County
516 Fairground Street
Caldwell, Ohio 43724

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Caldwell Exempted Village School District, Noble County, Ohio (the School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated March 18, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2023-001.

School District's Response to Findings

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

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

March 18, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

Caldwell Exempted Village School District
Noble County
516 Fairground Street
Caldwell, Ohio 43724

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Caldwell Exempted Village School District's, Noble County, Ohio (the School District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Caldwell Exempted Village School District's major federal program for the year ended June 30, 2023. Caldwell Exempted Village School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, Caldwell Exempted Village School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

March 18, 2024

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CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT
NOBLE COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	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 Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):** • AL #84.425D, AL #8425U, AL #84.425W – Education Stabilization Fund – Elementary and Secondary School Emergency Relief (ESSER)	
(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?**	Yes

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

FINDING NUMBER 2023-001

Noncompliance

Ohio Rev. Code § 3315.20 allows a school district to have a deficit balance in any special fund only if all of the following conditions are satisfied:

- The district has a request for payment pending with the state sufficient to cover the amount of the deficit and there is a reasonable likelihood that the payment will be made;
- There is a reasonable likelihood that the payment will be made; and
- The unspent and unencumbered balance in the district's general fund is greater than the aggregate of deficit amounts in all of the district's special funds.

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023
(Continued)

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

FINDING NUMBER 2023-001 (Continued)

Noncompliance (Continued)

As of June 30, 2023, the following funds had negative balances:

- The Ag 5th Quarter Grant FY22 Fund (Fund 461) had a deficit balance of ($5,505);
- The Elementary and Secondary School Emergency Relief Fund (Fund 507) had a total deficit balance of ($259,179);
- The Special Education IDEA-B (Fund 516) had a total deficit fund balance of ($93,219);
- The Title I Fund (Fund 572) had a total deficit balance of ($75,633);
- The Title IV-A Fund (Fund 584) had a deficit balance of ($2,004); and
- The Title II-A Fund (Fund 590) had a total deficit fund balance of ($27,984).

When applying the exceptions of Ohio Rev. Code § 3315.20, the School District could not satisfy all of the conditions necessary to allow a deficit. Negative fund balances could result in the use of restricted receipts for unallowable purposes.

The School District should ensure there is a request for payment pending with the state that will cover all the deficit amounts.

Officials' Response: See Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Greg Gifford
Superintendent

Kelli Wohlgamuth
Curriculum

Terren Huck
Technology

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT

516 FAIRGROUND STREET, CALDWELL, OH 43724
Phone 740-732-5637 Fax 740-732-7303

Taylor Clark
Treasurer

Jeannie Yontz
School Improvement

Elaine Hummerich
Transportation

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2 CFR 200.511(b)

JUNE 30, 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	Ohio Rev. Code 5705.41(B) regarding expenditures exceeding appropriations.	Partially Corrected	

Greg Gifford
Superintendent

Kelli Wohlgamuth
Curriculum

Terren Huck
Technology

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CORRECTIVE ACTION PLAN

2 CFR § 200.511(c)

JUNE 30, 2023

Finding Number:	2023-001
Planned Corrective Action:	District will ensure that all project cash requests are completed, and balances brought to a zero balance prior to fiscal year end, to ensure that no negative funds balances are reached.
Anticipated Completion Date:	06/30/2024
Responsible Contact Person:	Taylor L. Clark, Treasurer

OHIO AUDITOR OF STATE
KEITH FABER

CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT

NOBLE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/28/2024

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