OHIO AUDITOR OF STATE
KEITH FABER

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY
JUNE 30, 2023

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet	
Governmental Funds	20
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)	
General Fund	24
ESSER Fund	25
Notes to the Basic Financial Statements	26

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY
JUNE 30, 2023

TABLE OF CONTENTS
(Continued)

TITLE **PAGE**

Required Supplementary Information:

Schedule of the District's Proportionate Share of the Net Pension Liability (School Employees Retirement System of Ohio) 72

Schedule of the District's Proportionate Share of the Net Pension Liability (State Teachers Retirement System of Ohio) 74

Schedule of District Pension Contributions (School Employees Retirement System of Ohio) 76

Schedule of District Pension Contributions (State Teachers Retirement System of Ohio) 78

Schedule of the District's Proportionate Share of the Net OPEB Liability (School Employees Retirement System of Ohio) 80

Schedule of the District's Proportionate Share of the Net OPEB Liability/(Asset) (State Teachers Retirement System of Ohio) 82

Schedule of District OPEB Contributions (School Employees Retirement System of Ohio) 84

Schedule of District OPEB Contributions (State Teachers Retirement System of Ohio) 86

Notes to the Required Supplementary Information 88

Schedule of Expenditures of Federal Awards 93

Notes to the Schedule of Expenditures of Federal Awards 94

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards* 95

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance 97

Schedule of Findings 101

OHIO AUDITOR OF STATE
KEITH FABER

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

INDEPENDENT AUDITOR'S REPORT

Circleville City School District
Pickaway County
388 Clark Drive
Circleville, Ohio 43113

To the Governing Body:

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Circleville City School District, Pickaway County, Ohio as of June 30, 2023, and the respective changes in financial position thereof and the budgetary comparisons for the General and Elementary and 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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

March 4, 2024

THIS PAGE INTENTIONALLY LEFT BLANK

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

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

Financial Highlights

Key financial highlights for 2023 are as follows:

- In total, net position of governmental activities increased $4,541,590 which represents a 13.03% increase from the 2022 net position.

- General revenues accounted for $30,020,723 in revenue or 75.23% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for $9,885,821 or 24.77% of total revenues of $39,906,544.

- The District had $35,364,954 in expenses related to governmental activities; only $9,885,821 of these expenses was offset by program specific charges for services and grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $30,020,723 were adequate to provide for these programs.

- The District's major funds are the general fund, the elementary and secondary school emergency relief fund and the bond retirement fund. The general fund had $32,106,164 in revenues and other financing sources and $27,010,325 in expenditures and other financing uses. During fiscal year 2023, the general fund's fund balance increased $5,078,292 from a balance of $21,220,370 to a balance of $26,298,662.

- The elementary and secondary school emergency relief fund had $3,909,479 in revenues and $3,828,855 in expenditures. During fiscal year 2023, the elementary and secondary school emergency relief fund balance increased $80,624 from a deficit balance of $163,541 to a deficit balance of $82,917.

- The bond retirement fund had $3,547,253 in revenues and $5,623,217 in expenditures and other financing uses. During fiscal year 2023, the bond retirement fund's fund balance decreased $2,075,964 from a balance of $18,621,890 to a balance of $16,545,926.

Using these Basic Financial Statements

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

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements 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 District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund, the elementary and secondary school emergency relief fund and the bond retirement fund are the only major funds.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the 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 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, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 14. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major funds are the general fund, the elementary and secondary school emergency relief fund and the bond retirement fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the 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 basic financial statements.

Notes to the Basic Financial Statements

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

Required Supplementary Information

The required supplementary information provides detailed information regarding the District's proportionate share of the net pension liability and net OPEB liability/asset of the retirement system and a ten year schedule of the District's contributions to the retirement systems to fund pension and OPEB obligations.

THIS SPACE INTENTIONALLY LEFT BLANK

The District as a Whole

The table below provides a summary of the District's net position at June 30, 2023 and June 30, 2022.

Net Position

	Governmental Activities 2023	Governmental Activities 2022
Assets		
Current and other assets	$ 71,284,347	$ 61,689,839
Capital assets, net	58,959,901	58,963,236
Total assets	130,244,248	120,653,075
Deferred outflows		
Unamortized deferred charges on debt refunding	147,509	156,630
Pension	6,521,097	6,454,433
OPEB	752,132	774,060
Total deferred outflows	7,420,738	7,385,123
Liabilities		
Current liabilities	4,276,099	3,598,559
Long-term liabilities:		
Due within one year	172,821	145,335
Due in more than one year		
Net pension liability	27,797,320	16,496,672
Net OPEB liability	1,628,005	2,096,913
Other amounts	44,611,448	44,580,754
Total liabilities	78,485,693	66,918,233
Deferred inflows		
Property taxes levied for the next fiscal year	12,931,245	8,777,492
Unamortized deferred gain on debt refunding	84,889	93,984
Pension	2,834,458	13,763,622
OPEB	3,939,048	3,636,804
Total deferred inflows	19,789,640	26,271,902
Net Position		
Net investment in capital assets	15,748,184	15,796,198
Restricted	25,118,949	25,242,281
Unrestricted (deficit)	(1,477,480)	(6,190,416)
Total net position	$ 39,389,653	$ 34,848,063

The net pension liability (NPL) is the largest single liability reported by the 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 District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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 District's proportionate share of each plan's collective:

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

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

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

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

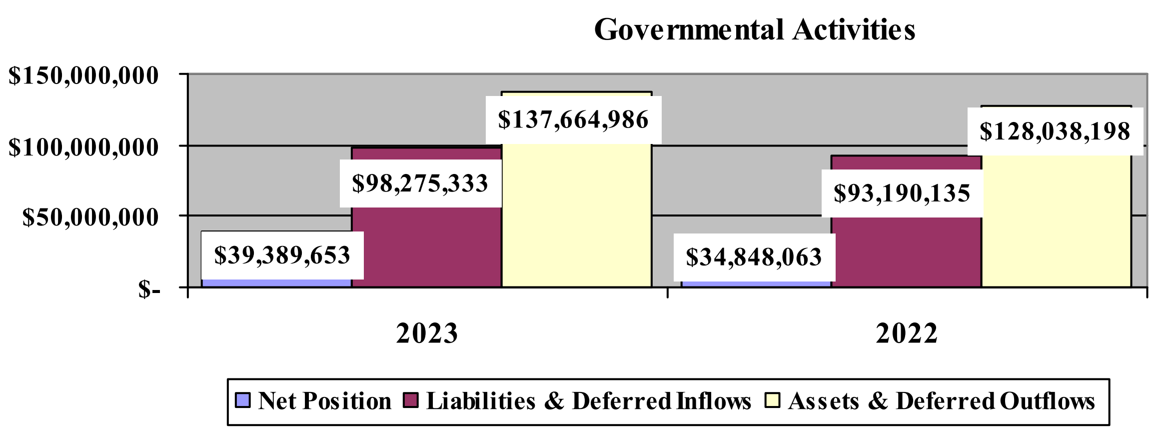
In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. The net pension liability increased and deferred inflows of resources related to pension decreased. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Primarily, net investment income on investments at both pension systems were negative for the fiscal year 2022 measurement date that are used for the fiscal year 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous fiscal year's large positive investment returns.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2023, the District's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by $39,389,653.

At year end, capital assets represented 45.27% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, intangible right to use assets and vehicles. Net investments in capital assets at June 30, 2023, were $15,748,184. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, $25,118,949, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of $1,477,480.

The graph below shows the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2023 and June 30, 2022.



The table below shows the change in net position for fiscal year 2023 and 2022.

Change in Net Position

	Governmental Activities	
	2023	2022
Revenues		
Program revenues:		
Charges for services and sales	$ 736,093	$ 709,025
Operating grants and contributions	8,818,244	7,753,552
Capital grants and contributions	331,484	-
General revenues:		
Property taxes	12,328,396	14,722,498
Revenue in lieu of taxes	223,199	139,465
School district income taxes	2,533,545	2,534,774
Grants and entitlements	13,513,399	13,192,428
Investment earnings / FMV adjustment	1,093,044	(220,333)
Other	329,140	576,633
Total revenues	39,906,544	39,408,042
Program expenses:		
Expenses		
Program expenses:		
Instruction:		
Regular	13,174,921	11,002,183
Special	5,302,034	5,272,282
Vocational	79,986	189,035
Other	963	56,107
Support services:		
Pupil	1,356,860	1,180,242
Instructional staff	2,507,185	3,214,490
Board of education	254,101	196,550
Administration	2,822,753	1,887,917
Fiscal	796,260	785,918
Operations and maintenance	2,395,813	2,587,676
Pupil transportation	1,637,287	1,446,684
Central	456,491	347,031
Operation of non-instructional services:		
Other non-instructional services	25,715	60,002
Food service operations	1,442,270	1,344,203
Extracurricular activities	1,017,434	809,254
Interest and fiscal charges	2,094,881	2,741,553
Total expenses	35,364,954	33,121,127
Changes in net position	4,541,590	6,286,915
Net position at beginning of year	34,848,063	28,561,148
Net position at end of year	$ 39,389,653	$ 34,848,063

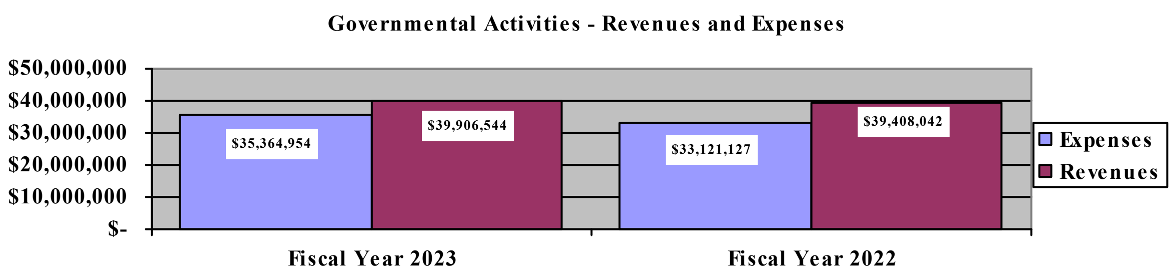
Governmental Activities

Net position of the District's governmental activities increased $4,541,590. Total governmental expenses of $35,364,954 were offset by program revenues of $9,885,821 and general revenues of $30,020,723. Program revenues supported 27.95% of the total governmental expenses.

Expenses of the governmental activities increased $2,243,827 or 6.77%. This increase is primarily the result of an increase in pension expense. This increase was the result of an increase in expenses incurred at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) due to a decrease in net investment income on investments compared to previous years.

The primary sources of revenue for governmental activities are derived from property taxes, income taxes, payment in lieu of taxes and grants and entitlements not restricted to specific programs. These revenue sources represent 71.66% of total governmental revenue. Real estate property is reappraised every six years. Total revenues increased $498,502 during the current fiscal year. The majority of the increase was in operating grants and contributions. During fiscal year 2023, operating grants and contributions increased $1,064,692 or 13.73%.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2023 and 2022.



CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
UNAUDITED

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

Governmental Activities

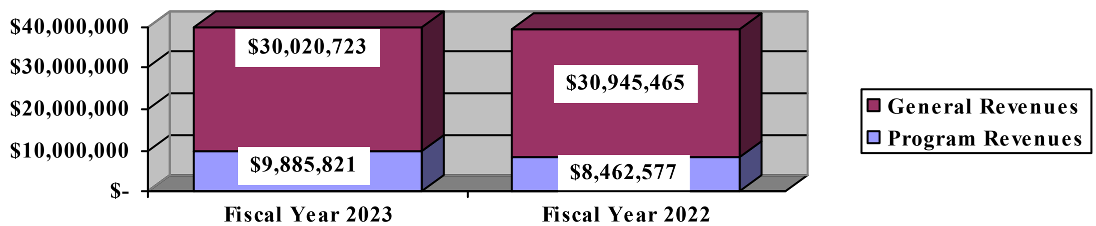
	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program expenses:				
Instruction:				
Regular	$ 13,174,921	$ 10,110,247	$ 11,002,183	$ 9,353,391
Special	5,302,034	2,281,917	5,272,282	2,484,843
Vocational	79,986	73,746	189,035	185,683
Other	963	963	56,107	(5,959)
Support services:				
Pupil	1,356,860	848,038	1,180,242	610,924
Instructional staff	2,507,185	2,117,525	3,214,490	2,520,188
Board of Education	254,101	254,101	196,550	196,550
Administration	2,822,753	2,632,408	1,887,917	1,700,793
Fiscal	796,260	796,260	785,918	785,918
Operations and maintenance	2,395,813	1,943,899	2,587,676	2,492,544
Pupil transportation	1,637,287	1,259,735	1,446,684	1,237,839
Central	456,491	324,162	347,031	247,996
Operation of non-instructional services:				
Other non-instructional services	25,715	5,375	60,002	8,201
Food service operations	1,442,270	79,064	1,344,203	(340,222)
Extracurricular activities	1,017,434	656,812	809,254	438,308
Interest and fiscal charges	2,094,881	2,094,881	2,741,553	2,741,553
Total expenses	$ 35,364,954	$ 25,479,133	$ 33,121,127	$ 24,658,550

The dependence upon tax and other general revenues for governmental activities is apparent, as 67.18% of instruction activities in fiscal year 2023 are supported through taxes and other general revenues. For all governmental activities, general revenue support is 72.05%. The District's taxpayers, and grants and entitlements from the State of Ohio, as a whole, are by far the primary support for the District's students.

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

The graph below presents the District's governmental activities revenue for fiscal year 2023 and 2022.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of $50,937,206 which is higher than last year's total of $46,407,891. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2023 and 2022.

	(Deficit) Fund Balance June 30, 2023	(Deficit) Fund Balance June 30, 2022	Increase / Decrease
General	$ 26,298,662	$ 21,220,370	$ 5,078,292
Bond retirement	(82,917)	(163,541)	80,624
ESSER	16,545,926	18,621,890	(2,075,964)
Other governmental	8,175,535	6,729,172	1,446,363
Total	$ 50,937,206	$ 46,407,891	$ 4,529,315

General Fund

The District's general fund balance increased $5,078,292. Tax revenue decreased due to a decrease in property tax revenues. Earnings on investments increased due to an increase in the amount invested and the earnings on those investments. The District's instruction and support service expenses fluctuated due to changes in personnel costs.

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	2023 Amount	2022 Amount	Percentage Change
Revenues			
Taxes	$ 11,667,981	$ 13,160,883	(11.34) %
Earnings on investments	1,131,162	151,007	649.08 %
Intergovernmental	14,611,813	13,722,591	6.48 %
Other revenues	726,411	569,453	27.56 %
Total	$ 28,137,367	$ 27,603,934	1.93 %
Expenditures			
Instruction	$ 12,955,540	$ 14,033,306	(7.68) %
Support services	10,980,539	10,495,605	4.62 %
Extracurricular activities	613,366	677,192	(9.43) %
Operation of non-instructional services	-	10,658	(100.00) %
Facilities acquisition and construction	348,826	-	100.00 %
Debt service	612,054	558,161	9.66 %
Total	$ 25,510,325	$ 25,774,922	(1.03) %

The Elementary and Secondary School Emergency Relief Fund

The elementary and secondary school emergency relief fund had $3,909,479 in revenues and $3,828,855 in expenditures. During fiscal year 2023, the elementary and secondary school emergency relief fund balance increased $80,624 from a deficit balance of $163,541 to a deficit balance of $82,917.

Bond Retirement Fund

The bond retirement fund had $3,547,253 in revenues and $5,623,217 in expenditures and other financing uses. During fiscal year 2023, the bond retirement fund's fund balance decreased $2,075,964 from a balance of $18,621,890 to a balance of $16,545,926.

General Fund Budgeting Highlights

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

During the course of fiscal year 2023, the District amended its general fund budget several times. For the general fund, final budgeted revenues and other financing sources were $28,555,353, which is lower than the original budgeted revenues and other financing sources of $28,655,450. Actual revenues and other financing sources for fiscal year 2023 were $29,153,882 which was $598,529 more than the budgeted revenues.

General fund original appropriations of $32,021,835 were $2,572,220 more than the final budgeted expenditures and other financing uses of $29,449,615. The actual budget basis expenditures and other financing uses for fiscal year 2023 totaled $29,167,780, which was $281,835 less than the final budgeted appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the District had $58,959,901 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, intangible right to use assets and vehicles. This entire amount is reported in governmental activities. The following table shows June 30, 2023 balances compared to June 30, 2022.

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2023	2022
Land	$ 1,627,374	$ 1,627,374
Construction in progress	-	371,861
Land improvements	4,463,826	4,649,646
Building and improvements	50,315,873	50,799,283
Furniture and equipment	915,469	920,717
Intangible righ to use	651,709	47,992
Vehicles	985,650	546,363
Total	$ 58,959,901	$ 58,963,236

The overall decrease in capital assets is due to depreciation expense of $2,481,056 and net disposals of $20,926 exceeding capital outlays of $2,498,647 in the current period.

See Note 9 to the basic financial statements for detail.

Debt Administration

At June 30, 2023, the District had $42,359,006 in lease payables, energy conservation notes, certificates of participation and general obligation bonds outstanding. Of this total, $5,933 is due within one year and $42,353,073 is due in more than one year. The following table summarizes the liabilities outstanding.

Outstanding Debt, at Year End

	Governmental Activities 2023	Governmental Activities 2022
Leases payable	$ 3,010	$ 38,167
SBITA Liability	5,996	-
Energy conservation notes	-	31,000
Certificates of participation	7,000,000	7,000,000
General obligation bonds	35,350,000	35,350,000
Total	$ 42,359,006	$ 42,419,167

See Note 10 to the basic financial statements for detail on the District's debt administration.

Current Financial Related Activities

The challenge for the District's management is to continue to provide the resources necessary to meet student needs and to stay within the five-year forecast. The five-year forecast is utilized by the District to effectively and efficiently manage the District's resources to their fullest.

In May of 2010, the District was successful in passing a $37,917,624 bond issue. This bond issue was used to fund the District's share of the $65.3 million dollar new facilities construction project with the Ohio Facilities Construction Commission. This project built a new Pre-Kindergarten through 12th grade school campus. The contracts for the construction of the new elementary and high school were approved by the Board of Education and the Ohio Facilities Construction Commission on July 26, 2012. The contracts for the new middle school were approved December 11, 2013. The District opened the new high school in January of 2016, followed by the opening of the elementary school in August of 2016, and the middle school opened in August 2017. Along with the Ohio Facilities Construction Commission project, the district is completing a Champions Complex. This project included the renovation and construction of the outside athletic facilities. A new concession stand, restrooms, ticket booth, Fieldhouse and Multipurpose building have been built. Also, included in this project were softball, baseball, soccer fields and tennis courts. The OFCC building project and the Champions Complex projects were completed during fiscal year 2016. The District was successful in closing out the OFCC project in January of 2018. Upon the close out of the OFCC project, the District started the renovations for the football stadium. This included resurfacing the track, new bleachers and press box. The district also added some additional parking and storage near the tennis courts.

In spring of 2021, the District negotiated with the Circleville Education Association. The outcome was a two year agreement for the period of July 1, 2022 through June 30, 2024. The Circleville Education Association agreement includes a 3.0% pay increase in each year. The District approved a Classified Employee Handbook amendment effective July 1, 2022. The handbook included a pay raise of 3.0% for fiscal year 2023. A new salary schedule was approved for classified employees beginning with the 2023-24 school year. In December 2022, the District completed negotiations with Teamsters Local Union 284 representing the bus drivers. The agreement created a new salary schedule for the bus drivers beginning with the 2023-24 school year and includes a 2.0% increase for fiscal year 2025.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Aaron Schirm, Treasurer at Circleville City School District, 388 Clark Drive, Circleville, Ohio, 43113.

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	$ 39,157,498
Cash with escrow agent	12,704,254
Receivables:	
Property taxes	14,404,155
Income taxes	944,763
Payment in lieu of taxes	149,464
Accounts	35,875
Accrued interest	159,228
Intergovernmental	1,144,347
Prepayments	21,158
Materials and supplies inventory	33,666
Inventory held for resale	9,807
Net OPEB asset	2,520,132
Capital assets:	
Nondepreciable capital assets	1,627,374
Depreciable capital assets, net	57,332,527
Capital assets, net	58,959,901
Total assets	130,244,248
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	147,509
Pension	6,521,097
OPEB	752,132
Total deferred outflows of resources	7,420,738
Liabilities:	
Accounts payable	160,586
Contracts payable	146,514
Accrued wages and benefits payable	3,084,147
Intergovernmental payable	105,197
Pension and post employment benefits payable	491,277
Accrued interest payable	288,378
Long-term liabilities:	
Due within one year	172,821
Due in more than one year:	
Net pension liability	27,797,320
Net OPEB liability	1,628,005
Other amounts due in more than one year	44,611,448
Total liabilities	78,485,693
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	12,931,245
Unamortized deferred gain on debt refunding	84,889
Pension	2,834,458
OPEB	3,939,048
Total deferred inflows of resources	19,789,640
Net position:	
Net investment in capital assets	15,748,184
Restricted for:	
Capital projects	6,130,463
OPEB	513,733
Classroom facilities maintenance	1,151,430
Debt service	16,344,758
State funded programs	10,499
Federally funded programs	53,192
Food service operations	588,995
Student activities	248,938
Other purposes	76,941
Unrestricted (deficit)	(1,477,480)
Total net position	$ 39,389,653

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Governmental activities:					
Instruction:					
Regular	$ 13,174,921	$ 227,148	$ 2,837,526	$ -	$ (10,110,247)
Special	5,302,034	20,487	2,945,607	54,023	(2,281,917)
Vocational	79,986	-	6,240	-	(73,746)
Other	963	-	-	-	(963)
Support services:					
Pupil	1,356,860	-	508,822	-	(848,038)
Instructional staff	2,507,185	-	389,660	-	(2,117,525)
Board of education	254,101	-	-	-	(254,101)
Administration	2,822,753	6,420	183,925	-	(2,632,408)
Fiscal	796,260	-	-	-	(796,260)
Operations and maintenance	2,395,813	33,500	163,718	254,696	(1,943,899)
Pupil transportation	1,637,287	-	354,787	22,765	(1,259,735)
Central	456,491	-	132,329	-	(324,162)
Operation of non-instructional services:					
Food service operations	1,442,270	96,926	1,266,280	-	(79,064)
Other non-instructional services	25,715	-	20,340	-	(5,375)
Extracurricular activities	1,017,434	351,612	9,010	-	(656,812)
Interest and fiscal charges	2,094,881	-	-	-	(2,094,881)
Totals	$ 35,364,954	$ 736,093	$ 8,818,244	$ 331,484	(25,479,133)

General revenues:	
Property taxes levied for:	
General purposes	9,049,501
Debt service	2,684,735
Capital outlay	462,280
Classroom facilities maintenance	131,880
Payments in lieu of taxes	223,199
Income taxes levied for:	
General purposes	2,533,545
Grants and entitlements not restricted to specific programs	13,513,399
Investment earnings	1,205,335
Fair value adjustment	(112,291)
Miscellaneous	329,140
Total general revenues	30,020,723
Change in net position	4,541,590
Net position at beginning of year	34,848,063
Net position at end of year	$ 39,389,653

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	Elementary and Secondary School Emergency Relief	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash					
and cash equivalents	$ 22,923,646	$ -	$ 7,856,526	$ 8,377,326	$ 39,157,498
Cash with escrow agent	4,330,275	-	8,373,979	-	12,704,254
Receivables:					
Property taxes	10,310,519	-	3,405,347	688,289	14,404,155
Income taxes	944,763	-	-	-	944,763
Payment in lieu of taxes	147,499	-	1,533	432	149,464
Accounts	34,440	-	-	1,435	35,875
Accrued interest	104,125	-	55,103	-	159,228
Intergovernmental	59,276	601,916	-	483,155	1,144,347
Prepayments	21,158	-	-	-	21,158
Materials and supplies inventory	-	-	-	33,666	33,666
Inventory held for resale	-	-	-	9,807	9,807
Due from other funds	343,280	-	-	-	343,280
Total assets	$ 39,218,981	$ 601,916	$ 19,692,488	$ 9,594,110	$ 69,107,495
Liabilities:					
Accounts payable	$ 112,041	$ -	$ -	$ 48,545	$ 160,586
Contracts payable	60,224	-	-	86,290	146,514
Accrued wages and benefits payable	2,391,177	347,362	-	345,608	3,084,147
Compensated absences payable	72,180	-	-	-	72,180
Intergovernmental payable	96,683	4,240	-	4,274	105,197
Pension obligation payable	397,341	50,151	-	43,785	491,277
Due to other funds	-	200,163	-	143,117	343,280
Total liabilities	3,129,646	601,916	-	671,619	4,403,181
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	9,255,710	-	3,059,633	615,902	12,931,245
Delinquent property tax revenue not available	263,198	-	86,929	17,570	367,697
Income tax revenue not available	185,729	-	-	-	185,729
Intergovernmental revenue not available	-	82,917	-	113,484	196,401
Accrued interest not available	32,020	-	-	-	32,020
Miscellaneous revenue not available	54,016	-	-	-	54,016
Total deferred inflows of resources	9,790,673	82,917	3,146,562	746,956	13,767,108
Fund balances:					
Nonspendable:					
Materials and supplies inventory	-	-	-	33,666	33,666
Prepaids	21,158	-	-	-	21,158
Restricted:					
Debt service	-	-	16,545,926	-	16,545,926
Capital improvements	-	-	-	6,112,893	6,112,893
Classroom facilities maintenance	-	-	-	1,151,430	1,151,430
Food service operations	-	-	-	601,598	601,598
State funded programs	-	-	-	10,499	10,499
Federally funded programs	-	-	-	50,968	50,968
Extracurricular	-	-	-	248,938	248,938
Scholarships	-	-	-	63,787	63,787
Other purposes	-	-	-	13,154	13,154
Committed:					
Student and staff support	671,327	-	-	-	671,327
Termination benefits	76,774	-	-	-	76,774
Facilities acquisition and construction	576,672	-	-	-	576,672
Student instruction	85,613	-	-	-	85,613
Assigned:					
Student instruction	24,549	-	-	-	24,549
Student and staff support	67,275	-	-	-	67,275
Public school support	19,391	-	-	-	19,391
Employee benefits	1,319,277	-	-	-	1,319,277
Unassigned (deficit)	23,436,626	(82,917)	-	(111,398)	23,242,311
Total fund balances	26,298,662	(82,917)	16,545,926	8,175,535	50,937,206
Total liabilities, deferred inflows and fund balances	$ 39,218,981	$ 601,916	$ 19,692,488	$ 9,594,110	$ 69,107,495

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

Total governmental fund balances		$ 50,937,206
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		58,959,901
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 367,697	
Income taxes receivable	185,729	
Accrued interest receivable	32,020	
Intergovernmental receivable	250,417	
Total		835,863
Unamortized premiums on bonds issued are not recognized in the funds.		(768,817)
Unamortized amounts on refundings are not recognized in the funds.		62,620
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(288,378)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	6,521,097	
Deferred inflows - pension	(2,834,458)	
Net pension liability	(27,797,320)	
Deferred outflows - OPEB	752,132	
Deferred inflows - OPEB	(3,939,048)	
Net OPEB asset	2,520,132	
Net OPEB liability	(1,628,005)	
Total		(26,405,470)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(35,350,000)	
Certificates of participation	(7,000,000)	
SBITA liability	(5,996)	
Lease liability	(3,010)	
Compensated absences	(1,584,266)	
Total		(43,943,272)
Net position of governmental activities		$ 39,389,653

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General	Elementary and Secondary School Emergency Relief	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	$ 9,142,479	$ -	$ 2,743,079	$ 607,894	$ 12,493,452
Income taxes	2,525,502	-	-	-	2,525,502
Intergovernmental	14,611,813	3,909,479	747,538	3,514,393	22,783,223
Investment earnings	1,131,162	-	55,103	145	1,186,410
Tuition and fees	236,609	-	-	-	236,609
Extracurricular	11,206	-	-	351,432	362,638
Rental income	33,500	-	-	-	33,500
Charges for services	6,420	-	-	96,926	103,346
Contributions and donations	-	-	-	22,840	22,840
Payment in lieu of taxes	221,234	-	1,533	432	223,199
Miscellaneous	329,733	-	-	23,947	353,680
Fair value adjustment	(112,291)	-	-	-	(112,291)
Total revenues	28,137,367	3,909,479	3,547,253	4,618,009	40,212,108
Expenditures:					
Current:					
Instruction:					
Regular	9,578,102	2,646,975	-	199,558	12,424,635
Special	3,314,694	-	-	1,645,248	4,959,942
Vocational	62,622	-	-	-	62,622
Other	122	-	-	983	1,105
Support services:					
Pupil	1,147,848	126,805	-	14,213	1,288,866
Instructional staff	1,560,659	371,754	-	367,563	2,299,976
Board of education	222,185	-	-	-	222,185
Administration	2,079,755	183,925	-	294,188	2,557,868
Fiscal	732,741	-	56,799	12,393	801,933
Operations and maintenance	3,148,772	100,294	-	313,594	3,562,660
Pupil transportation	1,760,708	266,773	-	57,221	2,084,702
Central	327,871	132,329	-	-	460,200
Operation of non-instructional services:					
Food service operations	-	-	-	1,419,561	1,419,561
Other non-instructional services	-	-	-	22,467	22,467
Extracurricular activities	613,366	-	-	333,624	946,990
Facilities acquisition and construction	348,826	-	-	-	348,826
Debt service:					
Principal retirement	69,349	-	-	-	69,349
Interest and fiscal charges	542,705	-	1,606,809	-	2,149,514
Total expenditures	25,510,325	3,828,855	1,663,608	4,680,613	35,683,401
Excess of revenues over expenditures	2,627,042	80,624	1,883,645	(62,604)	4,528,707
Other financing sources (uses):					
Transfers in	3,959,609	-	-	1,500,000	5,459,609
Transfers (out)	(1,500,000)	-	(3,959,609)	-	(5,459,609)
SBITA transaction	9,188	-	-	-	9,188
Total other financing sources (uses)	2,468,797	-	(3,959,609)	1,500,000	9,188
Net change in fund balances	5,095,839	80,624	(2,075,964)	1,437,396	4,537,895
Fund balances (deficit) at beginning of year	21,220,370	(163,541)	18,621,890	6,729,172	46,407,891
Change in reserve for inventory	(17,547)	-	-	8,967	(8,580)
Fund balances (deficit) at end of year	$ 26,298,662	$ (82,917)	$ 16,545,926	$ 8,175,535	$ 50,937,206

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds		$ 4,537,895
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.		
Capital asset additions	$ 2,498,647	
Current year depreciation	(2,481,056)	
Total		17,591
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(20,926)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		(8,580)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(165,056)	
Income taxes	8,043	
Earnings on investments	19,070	
Intergovernmental	(170,506)	
Total		(308,449)
Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		69,349
Issuance of SBITA liabilities are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		(9,188)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	(180)	
Amortization of bond premiums	54,839	
Amortization of deferred charges	(26)	
Total		54,633
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	2,432,749	
OPEB	78,162	
Total		2,510,911
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(2,737,569)	
OPEB	544,000	
Total		(2,193,569)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(108,077)
Change in net position of governmental activities		$ 4,541,590

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property taxes	$ 10,100,000	$ 10,080,000	$ 10,184,200	$ 104,200
Income taxes	2,500,000	2,500,000	2,534,707	34,707
Intergovernmental	14,331,000	14,399,928	14,627,386	227,458
Investment earnings	150,000	900,000	1,059,057	159,057
Tuition and fees	241,450	269,925	221,247	(48,678)
Rental income	11,000	32,000	33,500	1,500
Charges for services	4,000	4,000	6,420	2,420
Payment in lieu of taxes	110,000	110,000	139,042	29,042
Miscellaneous	1,205,000	255,000	335,044	80,044
Total revenues	28,652,450	28,550,853	29,140,603	589,750
Expenditures:				
Current:				
Instruction:				
Regular	10,110,801	10,099,467	9,353,508	745,959
Special	3,840,918	3,831,700	3,709,313	122,387
Vocational	241,474	241,474	67,559	173,915
Other	3,446	3,446	122	3,324
Support services:				
Pupil	1,115,197	1,115,197	1,030,883	84,314
Instructional staff	2,276,714	2,276,714	1,861,282	415,432
Board of education	212,398	212,398	240,711	(28,313)
Administration	1,606,458	1,606,458	2,152,379	(545,921)
Fiscal	771,871	771,871	728,750	43,121
Operations and maintenance	4,156,697	4,156,697	3,300,237	856,460
Pupil transportation	1,701,310	1,701,310	1,825,072	(123,762)
Central	401,457	401,457	408,049	(6,592)
Operation of non-instructional services:				
Other non-instructional services	(4,960)	(4,960)	(741)	(4,219)
Extracurricular activities	548,670	548,670	617,089	(68,419)
Facilities acquisition and construction	-	-	887,107	(887,107)
Debt service:				
Principal	446,254	446,254	446,254	-
Interest and fiscal charges	491,894	491,894	490,638	1,256
Total expenditures	27,920,599	27,900,047	27,118,212	781,835
Excess (deficiency) of revenues over (under) expenditures	731,851	650,806	2,022,391	1,371,585
Other financing sources (uses):				
Refund of prior year's expenditures	2,500	-	-	-
Transfers (out)	(2,000,000)	(1,549,568)	(2,049,568)	(500,000)
Advances (out)	(2,101,236)	-	-	-
Sale of capital assets	500	4,500	13,279	8,779
Total other financing sources (uses)	(4,098,236)	(1,545,068)	(2,036,289)	(491,221)
Net change in fund balance	(3,366,385)	(894,262)	(13,898)	880,364
Fund balance at beginning of year	18,544,456	18,544,456	18,544,456	-
Prior year encumbrances appropriated	2,020,835	2,020,835	2,020,835	-
Fund balance at end of year	$ 17,198,906	$ 19,671,029	$ 20,551,393	$ 880,364

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Intergovernmental	$ 5,017,000	$ 4,674,856	$ 3,831,605	$ (843,251)
Total revenue	5,017,000	4,674,856	3,831,605	(843,251)
Expenditures:				
Current:				
Instruction:				
Regular	2,172,315	3,209,788	2,666,534	543,254
Support services:				
Pupil	240,000	149,337	130,025	19,312
Instructional staff	116,700	371,030	407,870	(36,840)
Administration	332,300	206,000	183,824	22,176
Operations and maintenance	150,000	100,200	92,489	7,711
Pupil transportation	212,020	287,920	274,385	13,535
Central	-	146,200	120,985	25,215
Total expenditures	3,223,335	4,470,475	3,876,112	594,363
Net change in fund balance	1,793,665	204,381	(44,507)	(248,888)
Fund balance (deficit) at beginning of year	(396,648)	(396,648)	(396,648)	-
Prior year encumbrances appropriated	223,335	223,335	223,335	-
Fund balance (deficit) at end of year	$ 1,620,352	$ 31,068	$ (217,820)	$ (248,888)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Circleville City School District (the "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 District is a city school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (five members) and is responsible for the provision of public education to residents of the District.

The District employs 106 non-certified and 160 certified employees to provide services to approximately 2,125 students and community groups. The District provides regular instruction, special instruction and vocational programs through the Pickaway-Ross Career and Technology Center. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, pupil transportation, food services, extracurricular activities and non-programmed services. The District co-operates with the Pickaway County Educational Service Center, a separate entity, for curricular services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

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

The following organizations are described due to their relationship to the District:

JOINTLY GOVERNED ORGANIZATIONS

Metropolitan Educational Technology Association (META) Solutions
The District is a participant in META Solutions which is a computer consortium that develops, implements and supports the technology and instructional needs of schools in a cost-effective manner. META Solutions provides instructional, core, technology and purchasing services for its member districts. The Board of Directors consists of the Superintendents from thirteen (13) of the member districts. During fiscal year 2023, the District paid META Solutions $124,469 for services. Financial information can be obtained from Ashley Widby, who serves as Chief Financial Officer, 100 Executive Drive, Marion, Ohio 43302.

Pickaway County Public Employer Benefits Program (PCPEBP)
During fiscal year 2010, the District joined together with Teays Valley Local School District, Logan Elm Local School District and Westfall Local School District to form the PCPEBP, a new insurance consortium. The PCPEBP is a public entity shared risk pool organized to provide health care and dental insurance benefits to its member organizations. The Board of Directors exercises control over the operation of the PCPEBP. Each member school district is represented on the Board of Directors by their superintendent or superintendent designee.

Logan Elm Local School District serves as fiscal agent for the PCPEBP. To obtain financial information, write Steve McAfee, Treasurer, Logan Elm Local School District, 9579 Tarlton Road, Circleville, Ohio 43113.

Pickaway-Ross Career and Technology Center
The Pickaway-Ross Career and Technology Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of eleven representatives from the various City and County Boards within Pickaway and Ross Counties, each of which possesses its own budgeting and taxing authority. To obtain financial information write to the Pickaway-Ross Career and Technology Center, Todd Stahr, Treasurer, at 895 Crouse Chapel Road, Chillicothe, Ohio 45601.

PUBLIC ENTITY RISK POOL

Workers' Compensation
The District participates in the Ohio Association of School Business Officials (OASBO)/ Sheakley UniServe Workers' Compensation Group Rating Program (GRP). The GRP is sponsored by OASBO and administered by Sheakley UniServe, Inc. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The District pays a fee to the GRP to cover the costs of administering the program.

B. Fund Accounting

The District uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

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

GOVERNMENTAL FUNDS

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the District's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Elementary and Secondary School Emergency Relief (ESSER) Fund – The ESSER Fund is used to account for a federal grant awarded as emergency relief to address the impact that Novel Coronavirus Disease 2019 (COVID-19) has had, and continues to have, on elementary and secondary schools across the nation.

Bond retirement fund -The bond retirement fund is used to account for the retirement of bonds.

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

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no proprietary funds.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District has no trust funds. The District's custodial funds had no financial activity during the audit period.

C. Basis of Presentation and Measurement Focus

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. 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 amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows and all liabilities and deferred inflows associated with the operation of the District are included on the statement of net position.

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

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column.

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows and current liabilities and deferred inflows 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.

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are 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 District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, payment in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from income taxes is recognized in the period in which the income was earned (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. 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, income taxes, payments in lieu of taxes, tuition, grants, student fees and rentals.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources 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. See Notes 13 and 14 for deferred outflows of resources related to net pension liability/asset and net OPEB liability, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes 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 fiscal year 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 13 and 14 for deferred inflows of resources related to net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position. In addition, deferred outflows of resources include a deferred gain on debt refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

E. Budgets

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The specific timetable for fiscal year 2023 is as follows.

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.

2. By no later than January 20, the Board-adopted budget is filed with the Pickaway County Budget Commission for tax rate determination.

3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate of estimated resources may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original and final budgeted revenue amount in the budgetary statement reflect the amounts set forth in the original and final amended certificate of estimated resources issued for fiscal year 2023.

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

4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures.

   Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed appropriations totals.

5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.

6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions.

7. Appropriation amounts are as originally adopted, which are the permanent appropriations, or as amended by the Board of Education throughout the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. Individual building and/or departments may transfer funds within their budgets upon review and approval of the Treasurer. All supplemental appropriations were legally enacted. The final budget figures, which appear in the statements of budgetary comparisons, represent the permanent appropriation amounts plus all supplemental appropriations legally enacted during the year. During the year, supplemental appropriations were legally enacted by the Board, none of which were significant.

8. At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be re-appropriated.

F. Cash and Investments

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

During fiscal year 2023, investments were limited to Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal Home Loan Mortgage Corporation (FHLB), Federal Farm Credit Bank (FFCB), negotiable certificates of deposit, U.S. treasury notes, U.S. Government money market funds, commercial paper and the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value, which is based on quoted market prices.

The District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures 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.

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

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenues credited to the general fund during fiscal year 2023 amounted to $1,131,162, which includes $93,645 assigned from other District funds.

An analysis of the District's investments at year end is provided in Note 4.

G. Inventory

On government-wide financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method on the government wide financial statements and the purchase method on the fund financial statements. On fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis and is expended when purchased.

On the fund financial statements, reported material and supplies inventory is equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption, donated food, purchased food and items held for resale.

H. Prepayments

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

On the fund financial statements, reported prepayments are equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

I. Capital Assets

General capital assets 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) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value. The District's capitalization threshold is $5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

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. The District is reporting intangible right to use assets related to leased equipment. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Land improvements	5 - 15 years
Buildings and improvements	50 years
Furniture and equipment	5 - 15 years
Intangible right to use:	
Equipment	5 years
Software	3 years
Vehicles	10 years

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

J. Interfund Balances

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

K. Compensated Absences

Compensated absences of the District consist of vacation leave and sick leave liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2023, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees with at least ten years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2023, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

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

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

L. 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, judgments, net pensions / OPEB liability, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Notes and leases are recognized as a liability on the fund financial statements when due. 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.

M. Fund Balance

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

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor 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 policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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

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

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

N. Estimates

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

O. Unamortized Bond Premiums and Discounts/Accounting Gain or Loss

Bond premiums are deferred and amortized over the term of the bonds using the straight line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition prince and the net carrying amount of the old debt is deferred and amortized as component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter and is presented as a deferred inflow or deferred outflow of resources.

On the governmental fund financial statements bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 10.

P. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes consist of food services and education foundation.

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

Q. Interfund Activity

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

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

R. Pensions/Other Postemployment Benefits (OPEB)

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

S. 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. The District had neither transaction for fiscal year 2023.

T. Fair Market Value

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2023, the District has implemented GASB Statement No. 91, "*Conduit Debt Obligations*", GASB Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*", GASB Statement No. 96, "*Subscription Based Information Technology Arrangements*", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying 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 implementation of GASB Statement No. 91 did not have an effect on the financial statements of the District.

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the District.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. These changes were incorporated in the District's fiscal year 2023 financial statements.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the District.

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

B. Deficit Fund Balances

Fund balances at June 30, 2023 included the following individual fund deficits:

	Deficit
Major funds	
Elementary and Seconday School Emergency Relief (ESSER)	$ 82,917
Nonmajor funds	
Public school preschool	12,000
Data communication	138
IDEA, part B	28,783
Title I, disadvantaged children	61,389
Supporting effective instruction	6,637
Student support and academic enrichment	2,451

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

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS

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

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

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

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

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

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

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

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

8. Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days and two-hundred-seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time.

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

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

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

A. Cash with Escrow Agents

At fiscal year end, $12,704,254 was on deposit with an escrow agent for monies held in relation to the District's sinking fund deposits that are required for the District's Series 2010A bonds (See Note 10.B.) and the District's Certificates of Participation (See Note 10.F.).

These funds are not included in the "carrying amount of deposits".

B. Cash on Hand

At year end, the District had $350 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and cash equivalents".

C. Deposits with Financial Institutions

At June 30, 2023, the carrying amount of all District deposits was $541,779 and the bank balance of all District deposits was $942,437. Of the bank balance, $250,000 was covered by the FDIC and $692,437 was covered by the Ohio Pooled Collateral System.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2023, the District's financial institutions were approved for a collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

D. Investments

As of June 30, 2023, the District had the following investments and maturities:

		Investment Maturities				
Measurement/ Investment type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Amortized Cost:						
STAR Ohio	$ 18,902,368	$ 18,902,368	$ -	$ -	$ -	$ -
Fair Value:						
FHLMC	1,155,220	489,199	488,750	-	-	177,271
FHLB	3,496,250	245,230	249,961	1,451,892	1,203,139	346,028
FFCB	1,104,487	-	-	-	463,875	640,612
Negotiable CD's	7,961,663	1,402,730	1,068,208	1,125,688	1,883,626	2,481,411
U.S. Government money market	138,857	138,857	-	-	-	-
U.S. Treasury notes	487,208	246,758	-	-	-	240,450
Commercial paper	5,369,316	4,123,181	1,246,135	-	-	-
Total	$ 38,615,369	$ 25,548,323	$ 3,053,054	$ 2,577,580	$ 3,550,640	$ 3,885,772

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

The weighted average maturity of investments is 0.59 years.

The District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FHLMC, FFCB, FHLB), U.S. Treasury Notes, commercial paper and negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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

Credit Risk: The District's investments in federal agency securities, and U.S. Treasury notes were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The commercial paper was rated A+ and A1 by Standard & Poor's and Moody's Investor Services, respectively. The District's investments in STAR Ohio and U.S. government money market mutual funds obtained an AAAm money market rating by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized rating agency. The negotiable CDs were not rated and are covered by FDIC. The District's investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State Statute.

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

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2023:

Measurement/ Investment type	Measurement Value	% to Total
Amortized Cost:		
STAR Ohio	$ 18,902,368	48.96
Fair Value:		
FHLMC	1,155,220	2.99
FHLB	3,496,250	9.05
FFCB	1,104,487	2.86
Negotiable CD's	7,961,663	20.62
U.S. Government money market	138,857	0.36
U.S. Treasury note	487,208	1.26
Commercial paper	5,369,316	13.90
Total	$ 38,615,369	100.00

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

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

The following is a reconciliation of cash and investments as reported in the note above to cash and cash equivalents as reported on the statement of net position as of June 30, 2023:

Cash and cash equivalents per note	
Carrying amount of deposits	$ 541,779
Investments	38,615,369
Cash with escrow agent	12,704,254
Cash on hand	350
Total	$ 51,861,752
Cash and cash equivalents per statement of net position	
Governmental activities	$ 51,861,752

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended June 30, 2023, consisted of the following, as reported in the fund financial statements:

Transfers to general fund from:	
Bond retirement fund	$ 3,959,609
Transfers to nonmajor governmental funds from:	
General fund	1,500,000
Total	$ 5,459,609

The primary purpose of these transfers is to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers made in fiscal year 2023 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

The transfer from the bond retirement fund to the general fund of $3,959,609 was to move the cash with escrow agent held in sinking fund associated with the COPS debt issuance.

Interfund transfers between governmental funds are eliminated for reporting on the government-wide financial statements.

B. Interfund balances at June 30, 2023 as reported on the fund statements, consist of the following amounts due to/from other funds:

Receivable Fund	Payable Funds	Amount
General fund	ESSER fund	200,163
General fund	Nonmajor governmental funds	143,117
		$ 343,280

The primary purpose of the interfund balances is to cover negative cash balances in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2023 are reported on the statement of net position.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed values as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Public utility real and personal property taxes received in calendar year 2022 became a lien on December 31, 2021, were levied after April 1, 2022, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Pickaway County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2024 operations. The amount available as an advance at June 30, 2023 was $791,611 in the general fund, $258,785 in the bond retirement fund and $54,817 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2022 was $1,833,332 in the general fund, $629,819 in the bond retirement fund and $127,857 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2023 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

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 and other real estate	$ 310,457,010	88.77	$ 310,948,290	88.66
Public utility personal	39,280,130	11.23	39,784,400	11.34
Total	$ 349,737,140	100.00	$ 350,732,690	100.00
Tax rate per $1,000 of assessed valuation	$61.89		$61.89	

NOTE 7 - SCHOOL DISTRICT INCOME TAX

In November 2005, the District passed a .75% continuing earned income only tax for general operations of the District. Employers and residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax is credited to the general fund.

NOTE 8 - RECEIVABLES

Receivables at June 30, 2023 consisted of taxes, payment in lieu of taxes, accounts (billings for user charged services and student fees), intergovernmental grants and entitlements, and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:	
Property taxes	$ 14,404,155
Income taxes	944,763
Payment in lieu of taxes	149,464
Accounts	35,875
Intergovernmental	1,144,347
Accrued interest	159,228
Total	$ 16,837,832

Receivables have been disaggregated on the face of the financial statements. All receivables are expected to be collected within the subsequent year.

THIS SPACE INTENTIONALLY LEFT BLANK

NOTE 9 - CAPITAL ASSETS

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

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 1,627,374	$ -	$ -	$ 1,627,374
Construction in progress	371,861	581,889	(953,750)	-
Total capital assets, not being depreciated/amortized	1,999,235	581,889	(953,750)	1,627,374
Capital assets, being depreciated/amortized:				
Land improvements	7,095,693	162,795	-	7,258,488
Buildings and improvements	64,957,066	1,311,073	-	66,268,139
Furniture and equipment	1,871,182	120,293	-	1,991,475
Intangible right to use				
Equipment	159,974	-	-	159,974
Software	-	667,676	-	667,676
Vehicles	1,769,201	608,671	(360,328)	2,017,544
Total capital assets, being depreciated/amortized	75,853,116	2,870,508	(360,328)	78,363,296
Less: accumulated depreciationamortization:				
Land improvements	(2,446,047)	(348,615)	-	(2,794,662)
Buildings and improvements	(14,157,783)	(1,794,483)	-	(15,952,266)
Furniture and equipment	(950,465)	(125,541)	-	(1,076,006)
Intangible right to use				
Equipment	(111,982)	(31,995)	-	(143,977)
Software	-	(31,964)	-	(31,964)
Vehicles	(1,222,838)	(148,458)	339,402	(1,031,894)
Total accumulated depreciation/amortization	(18,889,115)	(2,481,056)	339,402	(21,030,769)
Governmental activities capital assets, net	$ 58,963,236	$ 971,341	$ (974,676)	$ 58,959,901

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

Instruction:	
Regular	$ 851,224
Special	382,301
Vocational	18,008
Support services:	
Pupil	86,954
Instructional staff	220,461
Board of education	31,995
Administration	213,713
Operations and maintenance	383,827
Pupil transportation	156,991
Operation of non-instructional services:	
Food service operations	33,089
Other non-instructional services	4,344
Extracurricular	98,149
Total depreciation/amortization expense	$ 2,481,056

NOTE 10 - LONG-TERM OBLIGATIONS

A. During fiscal year 2023, the following changes occurred in governmental activities long-term obligations.

	Balance 6/30/22	Additions	Reductions	Balance 6/30/23	Amounts Due in One Year
Governmental activities:					
General obligation bonds:					
Series 2010A Bonds					
Current interest bonds	$ 11,260,000	$ -	$ -	$ 11,260,000	$ -
Series 2014 refunding bonds					
Current interest bonds	9,090,000	-	-	9,090,000	-
Series 2015 refunding bonds					
Current interest bonds	8,835,000	-	-	8,835,000	-
Series 2016 refunding bonds					
Current interest bonds	6,165,000	-	-	6,165,000	-
Total general obligation bonds	35,350,000	-	-	35,350,000	-
Certificates of participation	7,000,000	-	-	7,000,000	-
Energy conservation note - direct borrowing	31,000	-	(31,000)	-	-
Lease payable	38,167	-	(35,157)	3,010	3,010
Subscription-Based Information Technology Arrangements (SBITA) Liability	-	9,188	(3,192)	5,996	2,923
Net pension obligation	16,496,672	11,300,648	-	27,797,320	-
Net OPEB obligation	2,096,913	-	(468,908)	1,628,005	-
Compensated absences	1,483,266	252,358	(79,178)	1,656,446	166,888
Total governmental activities long-term liabilities	$ 62,496,018	$ 11,562,194	$ (617,435)	73,440,777	$ 172,821
Add: unamortized premiums				768,817	
Total on statement of net position				$ 74,209,594	

Compensated absences: Compensated absences will be paid from the fund which the employee's salaries are paid which, for the District, is primarily the general fund and the food service fund.

Net pension obligation: See Note 13 for details on the District's net pension obligation.

Net OPEB obligation/asset: See Note 14 for details on the District's net OPEB obligation/asset.

B. Series 2010A Qualified School Construction Bonds - On August 11, 2010, the District issued $11,260,000 in general obligation Qualified School Construction Bonds (QSCBs) for the purpose of improving school facilities. Principal and interest payments are made from the bond retirement fund.

The issue is comprised of current interest term bonds, par value $11,260,000. The interest rate on the current interest bonds is 5.650%.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The QSCBs mature on November 1, 2025 in the amount of $11,260,000. Interest payments on the current interest bonds are due on May 1 and November 1 of each year. The District receives a direct payment subsidy from the United States Treasury equal to 100% of the lesser of the interest payments on the bonds or the federal tax credits that would otherwise have been available to the holders of the bonds. The District records this subsidy from the federal government in the bond retirement fund to offset interest expenditures on the bonds. The QSCBs are subject to optional redemption and extraordinary optional redemption, at the sole discretion of the District, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date. On November 1 in each year 2011 through 2025, the District is required to make a mandatory deposit into a sinking fund that will provide for payment of the QSCBs upon maturity. The QSCBs are subject to mandatory sinking fund requirements in the following fiscal years and in the following amounts:

Fiscal Year	Amounts Due
2024	1,080,000
2025	1,160,000
2026	1,160,000
	$ 3,400,000

The following is a summary of the District's future annual debt service requirements to maturity for the Series 2010A QSCBs:

	Current Interest - Series 2010A		
Fiscal Year	Principal	Interest	Total
2024	$ -	$ 636,190	$ 636,190
2025	-	636,190	636,190
2026	11,260,000	318,095	11,578,095
Total	$ 11,260,000	$ 1,590,475	$ 12,850,475

C. Series 2015 General Obligation Refunding Bonds

On December 17, 2015, the District issued General Obligation Refunding Bonds (Series 2015 refunding bonds). These bonds refunded $8,900,000 of the Series 2010C issue. These bonds are general obligations of the District, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds are recorded as expenditures in the bond retirement fund. On the government-wide financial statements, principal payments reduce the liability reported on the statement of net position.

This issue is comprised of current interest bonds, present value $8,835,000 at June 30, 2023. The interest rates on the bonds range from 3.15% - 4.00%. Payments on the current interest bonds are due on May 1 and November 1 of each year. The final maturity stated in the issue is November 1, 2037.

The reacquisition price exceeded the net carrying amount of the old debt by $76,978. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 23 years by $1,185,760 and resulted in an economic gain of $881,366.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the District's future annual debt service requirements to maturity for the Series 2015 refunding bonds:

	Series 2015 Refunding Bonds		
Fiscal Year	Principal	Interest	Total
2024	$ -	$ 310,603	$ 310,603
2025	-	310,603	310,603
2026	-	310,603	310,603
2027	-	310,603	310,603
2028	-	310,603	310,603
2029 - 2033	-	1,553,015	1,553,015
2034 - 2038	8,835,000	850,445	9,685,445
Total	$ 8,835,000	$ 3,956,475	$ 12,791,475

D. Series 2016 General Obligation Refunding Bonds

On March 2, 2016, the District issued General Obligation Refunding Bonds (Series 2016 refunding bonds). These bonds refunded $6,490,000 of the Series 2010C issue. These bonds are general obligations of the District, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds are recorded as expenditures in the bond retirement fund. On the government-wide financial statements, principal payments reduce the liability reported on the statement of net position.

This issue is comprised of current interest bonds, present value $6,165,000 at June 30, 2023. The interest rates on the bonds is 4.00%. Payments on the current interest bonds are due on May 1 and November 1 of each year. The final maturity stated in the issue is November 1, 2040.

The reacquisition price exceeded the net carrying amount of the old debt by $138,562. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 26 years by $1,102,506 and resulted in an economic gain of $760,505.

The following is a summary of the District's future annual debt service requirements to maturity for the Series 2016 refunding bonds:

	Series 2016 Refunding Bonds		
Fiscal Year	Principal	Interest	Total
2024	$ -	$ 246,600	$ 246,600
2025	-	246,600	246,600
2026	-	246,600	246,600
2027	-	246,600	246,600
2028	-	246,600	246,600
2029 - 2033	-	1,233,000	1,233,000
2034 - 2038	-	1,233,000	1,233,000
2039 - 2041	6,165,000	377,500	6,542,500
Total	$ 6,165,000	$ 4,076,500	$ 10,241,500

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

E. Series 2014 Refunding Bonds - On August 12, 2014, the District issued General Obligation Refunding Bonds (Series 2014 refunding bonds). These bonds refunded $9,210,000 Series 2010C bonds. These bonds are general obligations of the District, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds are recorded as expenditures in the bond retirement fund. On the government-wide financial statements, principal payments reduce the liability reported on the statement of net position.

The interest rates on the bonds range from 2.00% - 4.00%. Payments on the current interest bonds are due on May 1 and November 1 of each year. The final maturity stated in the issue is November 1, 2032.

The net carrying amount of the old debt exceeded the reacquisition price by $165,609. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 17 years by $682,033 and resulted in an economic gain of $515,602.

The following is a summary of the District's future annual debt service requirements, including mandatory sinking fund deposits, to maturity for the Series 2014 BABs:

	Current Interest - Series 2014		
Fiscal Year	Principal	Interest	Total
2024	$ -	$ 327,175	$ 327,175
2025	-	327,175	327,175
2026	-	327,175	327,175
2027	1,115,000	310,450	1,425,450
2028	1,180,000	273,075	1,453,075
2029 - 2033	6,795,000	677,238	7,472,238
Total	$ 9,090,000	$ 2,242,288	$ 11,332,288

F. Series 2010 Certificates of Participation ("COPs") - On February 15, 2011, the District issued $7,000,000 in Certificates of Participation ("COPs") for the purpose of improving school facilities. Principal and sinking fund payments are made from the general fund. Interest payments are made from the general fund. The interest rate on the COPs is 7.00%.

The COPs require the District to make mandatory sinking fund deposits beginning December 1, 2011. The sinking fund deposits will result in a balloon principal payment of $7,000,000 made on December 1, 2027. Sinking fund deposits will be made on December 1, in the following fiscal years and in the following amounts:

Fiscal Year	Amounts Due
2024	535,647
2025	549,038
2026	562,764
2027	576,833
Total	$ 2,224,282

Interest payments on the COPs are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2027.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the District's future annual debt service requirements to maturity for the Series 2010 COPs:

	Series 2010 COPs		
Fiscal Year	Principal	Interest	Total
2024	-	490,000	490,000
2025	-	490,000	490,000
2026	-	245,000	245,000
2027	7,000,000	490,000	7,490,000
Total	$ 7,000,000	$ 1,715,000	$ 8,715,000

G. During fiscal year 2008, the District issued energy conservation notes to provide for energy improvements to various District buildings. The notes matured on December 1, 2022. This was a direct borrowing. The primary source of repayment of these notes was through energy savings as a result of the improvements. Energy improvements made to the District's buildings from the note issue were for maintenance and repairs and therefore were not capitalized.

H. *Leases Payable* - The District has entered into lease agreements for the use of right to use equipment. The District will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund.

The District has entered into lease agreements for copier equipment at varying years and terms as follows:

Description	Lease Commencement Date	Years	Lease End Date	Payment Method
Copiers	2018	5	2024	Monthly

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

Fiscal Year	Principal	Interest	Total
2024	$ 3,010	$ 11	$ 3,021

I. *Subscription-Based Information Technology Arrangements (SBITA) Liability*
The District entered into a SBITA transaction during fiscal year 2023. The future SBITA payments were discounted based on the interest rate implicit in the agreement. The discount is being amortized using the interest method over the life of the subscription.

The District pays the SBITA obligation from the General Fund. Principal and interest requirements to retire the District's outstanding SBITA liability at June 30, 2023, are as follows:

Fiscal	SBITA Payable		
Year Ended	Principal	Interest	Total
2024	$ 2,923	$ 307	$ 3,230
2025	3,073	157	3,230
Total	$ 5,996	$ 464	$ 6,460

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

I. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.

Revised Code Section 133.06(I) permits school districts to incur net indebtedness in excess of the 9% limitation, without obtaining the consent of the State Superintendent and the Tax Commissioner, when bond proceeds will be used exclusively to fund a school district's Commission-required local effort. Accordingly, the proceeds of the bonds will be used exclusively to fund the District's Commission-required local effort, and, as a result, are not subject to State consents/special needs approval.

NOTE 11 - EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Only administrative and support personnel who are under a full year contract (235 or more days) are eligible for vacation time. The administrators are generally granted a minimum of 20 days of vacation per year.

Classified employees earn 10 to 20 days of vacation per year, depending upon length of service. Vacation time, which is unused as of the employee's anniversary date, can be carried over to a subsequent year, with a maximum of 3 years accrual (60 days). Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment.

The classified personnel accumulate vacation based on the following schedule:

Years of Service	Vacation Days
1 - 6	10
7 - 10	15
11 - 15	18
16 - beyond	20

Each employee earns sick leave at the rate of one and one quarter days per month. Sick leave shall accumulate during active employment on a continuous year-to-date basis. The maximum sick leave accumulation for certified employees is 262 days. The maximum sick leave accumulation for classified employees is 260 days if hired prior to July 1, 2013. If hired after July 1, 2013, the maximum sick leave accumulation is 130 days for classified employees. The maximum sick leave accumulation for bus drivers is 160 days.

For all employees, retirement severance is paid to each employee retiring from the District at a per diem rate of the annual salary at the time of retirement. If the employee has been employed by the District for a minimum of 10 years at the time of retirement, a certified employee will receive 23.75% of the value for each day of accrued sick leave, not to exceed 62 days. A classified employee will receive 25% of the value for each day, not to exceed 62 days. If the employee has less than 10 years of service with the District, they will receive pay in accordance with the ORC. Bus drivers receive 25% of the value for each day, not to exceed 40 days.

NOTE 12 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The District has addressed these various types of risk by purchasing a comprehensive insurance policy through commercial carriers.

General liability insurance is maintained in the amount of $1,000,000 for each occurrence and $2,000,000 aggregate. In addition, the District maintains a $2,000,000 umbrella liability policy.

The District maintains fleet insurance in the amount of $1,000,000 for any one accident or loss and $1,000,000 for excess auto liability.

The District maintains replacement cost insurance on buildings and contents in the amount of $112,682,000.

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in coverage from the prior year.

B. Health Care Benefits

Effective July 1, 2009, the District began offering health care benefits to employees through the PCPEBP, a public entity shared risk pool, currently operating as a common risk management and insurance program for 4 member school districts. The PCPEBP was organized to provide health care benefits to its members. In 2021, the PCPEBP added the Pickaway County ESC to its membership. Bringing the total to 5 member districts.

The District pays 80% of the health care premiums for all full-time certified employees on the family plan and 90% for full time certified employees on the single plan. The District pays 80% of the health care premiums for all full-time classified employees on the family and/or single plan. No benefits are offered to employees working part-time. Part-time is defined as less than five hours per day. The health care coverage is administered by United Healthcare, a third party administrator. The stop-loss coverage is $200,000 per covered person.

C. Workers' Compensation Rating Program

For fiscal year 2023 the District participated in the OASBO/Sheakley UniServe Workers' Compensation Group Retrospective Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is tiered into groups based upon past workers' compensation experience. Within each tiered group, a common premium rate is applied to all school districts within that group. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of their tiered group. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniServe provides administrative, cost control and actuarial services to the GRP.

NOTE 13 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

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

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

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

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

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

The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was $644,482 for fiscal year 2023. Of this amount, $123,048 is reported as pension and postemployment benefits payable.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. 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 of their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The District's contractually required contribution to STRS was $1,788,267 for fiscal year 2023. Of this amount, $290,067 is reported as pension and postemployment benefits payable.

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

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

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.111371000%	0.096883336%	
Proportion of the net pension liability current measurement date	0.113912900%	0.097327490%	
Change in proportionate share	0.002541900%	0.000444154%	
Proportionate share of the net pension liability	$ 6,161,296	$ 21,636,024	$ 27,797,320
Pension expense	$ 479,815	$ 2,257,754	$ 2,737,569

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 249,537	$ 276,972	$ 526,509
Net difference between projected and actual earnings on pension plan investments	-	752,885	752,885
Changes of assumptions	60,794	2,589,181	2,649,975
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	158,979	-	158,979
Contributions subsequent to the measurement date	644,482	1,788,267	2,432,749
Total deferred outflows of resources	$ 1,113,792	$ 5,407,305	$ 6,521,097

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 40,447	$ 82,764	$ 123,211
Net difference between projected and actual earnings on pension plan investments	215,005	-	215,005
Changes of assumptions	-	1,948,909	1,948,909
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	547,333	547,333
Total deferred inflows of resources	$ 255,452	$ 2,579,006	$ 2,834,458

$2,432,749 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ 113,752	$ (196,247)	$ (82,495)
2025	49,945	(268,892)	(218,947)
2026	(307,133)	(689,077)	(996,210)
2027	357,294	2,194,248	2,551,542
Total	$ 213,858	$ 1,040,032	$ 1,253,890

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.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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:

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

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

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

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
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 was calculated using the discount rate of 7.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 9,069,133	$ 6,161,296	$ 3,711,482

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

For the June 30, 2022 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% 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% 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 the prior measurement date, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 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 Ohio's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	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 as of 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% and is net of investment expenses. Over a 30-year period, STRS Ohio's 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% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the net pension liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 32,684,155	$ 21,636,024	$ 12,292,725

Changes Between Measurement Date and Reporting Date - STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023. It is unknown what effect this change will have on the net pension liability.

NOTE 14 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 13 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was $78,162.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $78,162 for fiscal year 2023. Of this amount, $78,162 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.110796400%	0.096883336%	
Proportion of the net OPEB liability/asset current measurement date	0.115953900%	0.097327490%	
Change in proportionate share	0.005157500%	0.000444154%	
Proportionate share of the net OPEB liability	$ 1,628,005	$ -	$ 1,628,005
Proportionate share of the net OPEB asset	$ -	$ (2,520,132)	$ (2,520,132)
OPEB expense	$ (65,842)	$ (478,158)	$ (544,000)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 13,687	$ 36,532	$ 50,219
Net difference between projected and actual earnings on OPEB plan investments	8,466	43,867	52,333
Changes of assumptions	258,954	107,350	366,304
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	205,114	-	205,114
Contributions subsequent to the measurement date	78,162	-	78,162
Total deferred outflows of resources	$ 564,383	$ 187,749	$ 752,132

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 1,041,392	$ 378,476	$ 1,419,868
Changes of assumptions	668,310	1,787,016	2,455,326
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	35,198	28,656	63,854
Total deferred inflows of resources	$ 1,744,900	$ 2,194,148	$ 3,939,048

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

$78,162 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 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	$ (282,055)	$ (602,034)	$ (884,089)
2025	(293,613)	(573,048)	(866,661)
2026	(257,479)	(272,203)	(529,682)
2027	(157,958)	(113,237)	(271,195)
2028	(106,651)	(147,482)	(254,133)
Thereafter	(160,923)	(298,395)	(459,318)
Total	$ (1,258,679)	$ (2,006,399)	$ (3,265,078)

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.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	3.69%
Prior measurement date	1.92%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.08%
Prior measurement date	2.27%
Medical trend assumption:	
Current measurement date	7.00 to 4.40%
Prior measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%

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

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

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-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%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

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 discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08%. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 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% at June 30, 2022 and 1.92% at June 30, 2021.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what the 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 (7.00% decreasing to 4.40%).

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 2,022,007	$ 1,628,005	$ 1,309,938
	1% Decrease	**Current Trend Rate**	**1% Increase**
District's proportionate share of the net OPEB liability	$ 1,255,484	$ 1,628,005	$ 2,114,578

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 actuarial valuation, compared with June 30, 2021 actuarial valuation, are presented below:

	June 30, 2022		June 30, 2021	
Inflation	2.50%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

For the June 30, 2022 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% 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% 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 the prior measurement date, for healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 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.

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

Benefit Term Changes Since the Prior Measurement Date - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	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 as of 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% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 2,329,796	$ 2,520,132	$ 2,683,172

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 2,613,991	$ 2,520,132	$ 2,401,660

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

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

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

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

(f) Investments are reported at fair value (GAAP basis) rather than at cost (budget basis).

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

Net Change in Fund Balance

	General fund	ESSER fund
Budget basis	$ (13,898)	$ (44,507)
Net adjustment for revenue accruals	(1,195,362)	77,874
Net adjustment for expenditure accruals	(396,639)	29,600
Net adjustment for other sources/uses	4,505,086	-
Funds budgeted elsewhere	620,934	-
Adjustment for encumbrances	1,575,718	17,657
GAAP basis	$ 5,095,839	$ 80,624

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the special trust fund, the public school support fund and the self-insurance fund.

NOTE 16 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is not involved in pending litigation that would have a material effect on the financial condition of the District.

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. The final adjustments were not material and are not reflected in the accompanying financial statements.

NOTE 17 - SET-ASIDES

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

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

	Capital Improvements
Set-aside balance June 30, 2022	$ -
Current year set-aside requirement	461,334
Current year qualifying expenditures	-
Current year offsets	(748,051)
Total	$ (286,717)
Balance carried forward to fiscal year 2024	$ -
Set-aside balance June 30, 2023	$ -

During fiscal year 2011, the District issued $44,917,618 in capital related school improvement bonds. These proceeds may be used to reduce the capital improvements set-aside amount to below zero for future years. The amount presented for prior year offset from bond proceeds is limited to an amount needed to reduce the capital improvements set-aside balance to $0. The District is responsible for tracking the amount of bond proceeds that may be used as an offset in future periods, which was $44,917,618 at June 30, 2023.

NOTE 18 - OTHER COMMITMENTS

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

Fund	Year - End Encumbrances
General	$ 1,426,636
ESSER	17,657
Other governmental	169,355
Total	$ 1,613,648

NOTE 19 - COVID-19

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

REQUIRED SUPPLEMENTARY INFORMATION

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net pension liability	0.113912900%	0.111371000%	0.110218000%	0.105073500%
District's proportionate share of the net pension liability	$ 6,161,296	$ 4,109,267	$ 7,290,051	$ 6,286,732
District's covered payroll	$ 4,794,650	$ 3,822,400	$ 3,735,950	$ 3,621,615
District's proportionate share of the net pension liability as a percentage of its covered payroll	128.50%	107.50%	195.13%	173.59%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
0.105593000%		0.098758300%		0.106053500%		0.107677100%		0.099805000%		0.099805000%	
$	6,047,507	$	5,900,590	$	7,762,138	$	6,144,160	$	5,051,074	$	5,935,083
$	3,525,533	$	3,232,236	$	3,244,829	$	3,241,646	$	2,900,137	$	2,771,705
	171.53%		182.55%		239.22%		189.54%		174.17%		214.13%
	71.36%		69.50%		62.98%		69.16%		71.70%		65.52%

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net pension liability	0.097327490%	0.096883336%	0.098739140%	0.100902360%
District's proportionate share of the net pension liability	$ 21,636,024	$ 12,387,405	$ 23,891,359	$ 22,313,951
District's covered payroll	$ 12,647,350	$ 12,079,379	$ 11,918,236	$ 11,898,157
District's proportionate share of the net pension liability as a percentage of its covered payroll	171.07%	102.55%	200.46%	187.54%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
	0.102071540%		0.102236810%		0.104878640%		0.106525200%		0.105861520%		0.105861520%
$	22,443,240	$	24,286,573	$	35,106,042	$	29,440,449	$	25,749,185	$	30,672,261
$	11,801,843	$	11,030,943	$	11,469,879	$	11,114,121	$	10,816,123	$	11,391,754
	190.17%		220.17%		306.07%		264.89%		238.06%		269.25%
	77.31%		75.30%		66.80%		72.10%		74.70%		69.30%

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 644,482	$ 671,251	$ 535,136	$ 523,033
Contributions in relation to the contractually required contribution	(644,482)	(671,251)	(535,136)	(523,033)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,603,443	$ 4,794,650	$ 3,822,400	$ 3,735,950
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 488,918	$ 475,947	$ 452,513	$ 454,276	$ 427,249	$ 401,959
(488,918)	(475,947)	(452,513)	(454,276)	(427,249)	(401,959)
$ -	$ -	$ -	$ -	$ -	$ -
$ 3,621,615	$ 3,525,533	$ 3,232,236	$ 3,244,829	$ 3,241,646	$ 2,900,137
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 1,788,267	$ 1,770,629	$ 1,691,113	$ 1,668,553
Contributions in relation to the contractually required contribution	(1,788,267)	(1,770,629)	(1,691,113)	(1,668,553)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 12,773,336	$ 12,647,350	$ 12,079,379	$ 11,918,236
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
$	1,665,742	$	1,652,258	$	1,544,332	$	1,605,783	$	1,555,977	$	1,406,096
	(1,665,742)		(1,652,258)		(1,544,332)		(1,605,783)		(1,555,977)		(1,406,096)
$	-	$	-	$	-	$	-	$	-	$	-
$	11,898,157	$	11,801,843	$	11,030,943	$	11,469,879	$	11,114,121	$	10,816,123
	14.00%		14.00%		14.00%		14.00%		14.00%		13.00%

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net OPEB liability	0.115953900%	0.110796400%	0.109090100%	0.104233000%
District's proportionate share of the net OPEB liability	$ 1,628,005	$ 2,096,913	$ 2,370,885	$ 2,621,241
District's covered payroll	$ 4,794,650	$ 3,822,400	$ 3,735,950	$ 3,621,615
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	33.95%	54.86%	63.46%	72.38%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017	
	0.106651500%		0.100241900%		0.107358930%
$	2,958,801	$	2,690,229	$	3,060,127
$	3,525,533	$	3,232,236	$	3,244,829
	83.92%		83.23%		94.31%
	13.57%		12.46%		11.49%

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	2023	2022	2021
District's proportion of the net OPEB liability/(asset)	0.097327490%	0.096883336%	0.098739140%
District's proportionate share of the net OPEB liability/(asset)	$ (2,520,132)	$ (2,042,706)	$ (1,735,340)
District's covered payroll	$ 12,647,350	$ 12,079,379	$ 11,918,236
District's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	19.93%	16.91%	14.56%
Plan fiduciary net position as a percentage of the total OPEB liability/(asset)	230.73%	174.73%	182.10%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2020	2019	2018	2017
0.100902360%	0.102071540%	0.102236810%	0.104878640%
$ (1,671,185)	$ (1,640,185)	$ 3,988,903	$ 5,608,937
$ 11,898,157	$ 11,801,843	$ 11,030,943	$ 11,469,879
14.05%	(13.90%)	36.16%	48.90%
174.70%	176.00%	47.10%	37.33%

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 78,162	$ 73,049	$ 52,516	$ 45,095
Contributions in relation to the contractually required contribution	(78,162)	(73,049)	(52,516)	(45,095)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,603,443	$ 4,794,650	$ 3,822,400	$ 3,735,950
Contributions as a percentage of covered payroll	1.70%	1.52%	1.37%	1.21%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
$	65,576	$	73,147	$	54,750	$	53,831	$	71,376	$	42,735
	(65,576)		(73,147)		(54,750)		(53,831)		(71,376)		(42,735)
$	-	$	-	$	-	$	-	$	-	$	-
$	3,621,615	$	3,525,533	$	3,232,236	$	3,244,829	$	3,241,646	$	2,900,137
	1.81%		2.07%		1.69%		1.66%		2.20%		1.47%

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021
Contractually required contribution	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered payroll	$ 12,773,336	$ 12,647,350	$ 12,079,379
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2020	2019	2018	2017	2016	2015	2014
$ -	$ -	$ -	$ -	$ -	$ -	$ 111,834
-	-	-	-	-	-	(111,834)
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 11,918,236	$ 11,898,157	$ 11,801,843	$ 11,030,943	$ 11,469,879	$ 11,114,121	$ 10,816,123
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit receipients commencing benefits on or after April 1, 2018
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

(Continued)

PENSION (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :
- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023

Changes in assumptions :
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO (CONTINUED)

Changes in assumptions:

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.

- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms:

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.

Changes in assumptions:

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

- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

(Continued)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO (CONTINUED)

Changes in assumptions (continued) :

- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projecte salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY

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

FEDERAL GRANTOR *Pass Through Grantor* Program / Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number/ Additional Award Identification	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education			
Child Nutrition Cluster:			
Cash Assistance			
School Breakfast Program	10.553	2023	332,485
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	2023	65,791
Cash Assistance			
National School Lunch Program	10.555	2023	753,399
COVID-19 - National School Lunch Program	10.555	COVID-19, 2022	39,038
Total National School Lunch Program			858,228
Fresh Fruit and Vegetable Program	10.582	2023	49,993
Total Child Nutrition Cluster			1,240,706
COVID-19 - Pandemic EBT Administrative Costs	10.649	COVID-19, 2023	3,135
Total U.S. Department of Agriculture			**1,243,841**
U.S. DEPARTMENT OF THE TREASURY			
Passed Through Ohio Department of Education and Department of Safety - Ohio School Safety Center (OSSC) and Ohio Facilities Construction Commission (OFCC)			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - ARPA School Security Grant	21.027	COVID-19, 2023	158,228
Total U.S. Department of the Treasury			**158,228**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Special Education Cluster:			
Special Education Grants to States (IDEA, Part B)	84.027A	2023	445,515
COVID-19 - Special Education Grants to States (IDEA, Part B): ARP	84.027X	COVID-19, 2022	63,019
Total Special Education_Grants to States			508,534
Special Education Preschool Grants	84.173A	2022	1,011
COVID-19 - Special Education Preschool Grants: ARP	84.173X	COVID-19, 2023	1,949
Total Special Education Preschool Grants			2,960
Total Special Education Cluster			511,494
Title I Grants to Local Educational Agencies: Improving Basic Programs	84.010A	2023	767,810
Twenty-First Century Community Learning Centers	84.287C	2022	13,944
Rural Education	84.358B	2023	47,354
Improving Teacher Quality State Grants	84.367A	2023	107,309
Student Support and Academic Enrichment Program	84.424A	2023	43,602
Education Stabilization Fund			
COVID-19 Elementary and Secondary School Emergency Relief (ESSER II)	84.425D	COVID-19, 2021	1,344,215
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	COVID-19, 2022	2,495,232
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	COVID-19, 2023	19,008
Total Education Stabilization Fund			3,858,455
Total U.S. Department of Education			**5,349,968**

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY

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

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

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

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

NOTE 3 - CHILD NUTRITION CLUSTER

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

NOTE 4 – FOOD DONATION PROGRAM

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

NOTE 5 - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE’s consent, schools can transfer unobligated amounts to the subsequent fiscal year’s program. The District transferred the following amounts from 2023 to 2024 programs:

Program Title	AL Number	Amount Transferred
Title I Grants to Local Educational Agencies: Improving Basic Programs	84.010A	$61,368.40
Improving Teacher Quality State Grants	84.367A	$505.37
Rural Education	84.358B	$1,300.69
Special Education Grants to States (IDEA, Part B)	84.027A	$15,397.51
Special Education Preschool Grants	84.173A	$13,018.37
ARP ESSER	84.425U	$1,184,510.84

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

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

Circleville City School District
Pickaway County
388 Clark Drive
Circleville, Ohio 43113

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 Circleville City School District, Pickaway County, (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 4, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

March 4, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

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

Circleville City School District
Pickaway County
388 Clark Drive
Circleville, Ohio 43113

To the Governing Body:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Circleville City School District's, Pickaway County, (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Circleville City School District's major federal programs for the year ended June 30, 2023. Circleville City School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

March 4, 2024

THIS PAGE INTENTIONALLY LEFT BLANK

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

THIS PAGE INTENTIONALLY LEFT BLANK

OHIO AUDITOR OF STATE
KEITH FABER

CIRCLEVILLE CITY SCHOOL DISTRICT

PICKAWAY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/21/2024