TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OHIO AUDITOR OF STATE
KEITH FABER

TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY
JUNE 30, 2023

TABLE OF CONTENTS

TABLE OF CONTENTS
(Continued)

OHIO AUDITOR OF STATE
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INDEPENDENT AUDITOR'S REPORT

Tipp City Exempted Village School District
Miami County
90 South Tippecanoe Drive
Tipp City, Ohio 45371

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tipp City Exempted Village School District, Miami County, Ohio (the District), as of and for the fiscal 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 Tipp City Exempted Village School District, Miami County, Ohio as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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 6, 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 6, 2024

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Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2023 *(Unaudited)*

Our discussion and analysis of Tipp City Exempted Village School District's, (the District), financial performance provides an overview 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 basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at fiscal year-end, resulting in a net position of $606,440. The $18.1 million unrestricted net position reported deficit results from recognizing the proportionate share of the net pension and OPEB amounts reported by the state retirement systems.
- The District's net position increased by $139,788 ending in a net position of $606,440 as revenues exceeded expenses for the current fiscal year.
- As of the close of the current fiscal year, the combined governmental fund balances of the District were $15.7 million; including the $12.7 million reported in the general fund.
- At the end of the current fiscal year, the unassigned fund balance for the general fund, the District's operating fund, was $8.0 million or 27.2% of total general fund expenditures.
- The District's debt obligations decreased by $1.9 million during the year.

Using the Basic Financial Statements

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

Reporting the District as a Whole

The Statement of Net Position and Statement of Activities
One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting prescribed for governmental entities. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net position and changes in that position providing the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

Reporting the District's Most Significant Funds

Fund Financial Statements
The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's different types of funds, governmental, proprietary and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

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 other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's 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.

Proprietary Fund
The District has one proprietary fund which is an internal service fund established to accumulate monies from other funds to pay claims and other expenses associated with the District's self-insured medical benefits program. This fund is reported using the accrual basis of accounting, just like the government wide statements, and focus on the determination of operating income, the change in net position, financial position and cash flows. For presentation on the government wide statements, the assets and liabilities are included within governmental activities and the net revenue or expense of the internal service fund for the year is allocated among the participating functions within the governmental activities.

Fiduciary Funds
The District is the fiscal agent for the various State athletic tournament games held within the District. The District's only fiduciary fund is reported as a custodial fund. We exclude the financial activity from this fund from the District's other financial statements because the resources cannot be utilized by the District to finance its operations.

The District as a Whole
The statement of net position provides the perspective of the District as a whole. A comparative analysis of fiscal year 2023 to 2022 follows:

TABLE 1
NET POSITION JUNE 30

	2023	2022
Assets:		
Current and Other Assets	$ 38,727,206	37,608,462
Capital Assets	23,073,902	23,682,910
Total Assets	61,801,108	61,291,372
Deferred Outflows of Resources:		
Deferred Charge on Refunding	55,640	93,906
Pension and OPEB	8,125,378	8,400,894
Total Deferred Outflows of Resources	8,181,018	8,494,800
Liabilities:		
Current Liabilities	3,803,750	3,727,570
Long-Term Liabilities:		
Due Within One Year	2,221,371	1,999,450
Due in More than One Year:		
Net Pension Liability	29,110,539	17,322,209
Net OPEB Liability	1,504,547	1,973,161
Other Amounts Due in More than One Year	9,243,164	11,262,465
Total Liabilities	45,883,371	36,284,855
Deferred Inflows of Resources:		
Property Taxes	16,992,012	15,518,881
Pension and OPEB	6,500,303	17,515,784
Total Deferred Inflows of Resources	23,492,315	33,034,665
Net Position:		
Net Investment in Capital Assets	15,070,335	13,859,006
Restricted	3,665,473	2,937,242
Unrestricted	(18,129,368)	(16,329,596)
Total Net Position	$ 606,440	466,652

The net pension liability (NPL) is reported pursuant to GASB 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27", and the net OPEB asset/liability is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting net OPEB asset and 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 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 required 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 systems. 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 pension system is responsible for the administration of the plan.

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 the 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.

The amount by which the District's assets and deferred outflows of resources exceed its liabilities and deferred inflows of resources is called net position. As of June 30, 2023 the District's total net position was at a positive $606,440. Of that amount, approximately $15.1 million was the net investment in capital assets. Another $3.7 million was subject to external restriction upon its use. The remainder is reported as unrestricted and is available for future use as directed by the Board of Education and the District's Administration. If the reported amounts related to the net pension and OPEB assets and liabilities calculations are excluded, the unrestricted net position reported by the District would be a positive $8.1 million instead of the $18.1 million deficit currently reported. As the operation of the state-wide pension systems are outside the control of the District and can vary significantly from year to year based on performance of investments; it is important to know how significant the recognition of the activity of the pension and OPEB plans have on the District's reported net position.

Total assets of governmental activities increased from the amount reported one year prior, but only slightly as the increase in taxes receivable and net OPEB asset was partially offset by the decrease reported in pooled cash reported for the year. Total net capital assets amounts reported for the current year decreased as the depreciation expense posted for the current year was more than the capital asset additions recorded for the year.

Total liabilities reported by the District increased by nearly $9.6 million from those reported one year prior. The $11.8 million increase in the net pension liabilities account resulted from a volatile investment market experienced by the pension system during the measurement period. Actual rate of returns was significantly less than those anticipated in the actuarial assumptions used to develop the overall total pension liability. Offsetting the increase in the net pension liability was the scheduled debt service payments which reduced long-term debt obligations outstanding. Deferred inflow of resources related to pension and OPEB decreased by $11.0 million based on the information provided by the retirement systems for the measurement period.

A comparative analysis of the change in net position for fiscal year 2023 and 2022 follows:

TABLE 2
CHANGE IN NET POSITION, JUNE 30

		2023	2022
Revenues:			
Program Revenues:			
Charges for Services	$	1,572,100	1,139,873
Operating Grants and Contributions		3,854,906	3,369,445
General Revenues:			
Property Taxes		18,844,637	16,760,163
Grants and Entitlements		9,376,402	10,697,320
Other		906,446	627,958
Total Revenues		34,554,491	32,594,759
Expenses:			
Instruction		20,853,131	19,146,030
Support Services:			
Pupils and Instructional Staff		2,383,797	2,096,966
Board of Education, Administration Fiscal and Business		3,648,433	3,413,702
Operation and Maintenance of Plant		2,628,270	2,259,786
Pupil Transportation		1,343,603	1,223,474
Central		773,056	534,237
Operation of Non-Instructional Services		1,075,562	1,006,780
Extracurricular Activities		1,470,720	1,419,619
Interest and Fiscal Charges		238,131	270,151
Total Expenses		34,414,703	31,370,745
Change in Net Position		139,788	1,224,014
Beginning Net Position		466,652	(757,362)
Ending Net Position	$	606,440	466,652

The table above indicates total expenses of the District increased $3.0 million, or 9.7%, over those reported for fiscal year 2022. The expense adjustments needed to record the net pension and OPEB amounts for the year was the single largest reason for the increase in expenses from the prior year. In the prior year, to record the net pension and OPEB amounts, the adjustment to the function expenses reduced expenses by $2.6 million while in the current year, those same expense adjustments, added an additional $89,592 to the functional expenses reported. The pension and OPEB adjustments required for the current year versus those in the prior year, account for nearly $2.7 million of increased expense total reported for fiscal year 2023 compared to those of fiscal year 2022. The additional increased expenses amounts are typically driven by inflationary factors such as increased costs of goods and services as well as increases in cost of personnel (wages and benefits) occurring during the fiscal year.

Total revenues reported for fiscal year 2023 increased $2.0 million (6%) over those reported for the prior fiscal year. Program revenues totaled $5.4 million for the current fiscal year compared to the $4.5 million reported for prior year. The increase in program revenues resulted from higher charges for services amounts in fiscal year 2023 as the food service and extracurricular activities returned to normal operations after the global pandemic. Operating grants and entitlements increased as certain funding provided by the State was focused on specific operational areas for the current fiscal year. Program revenues represented 15.7% of the District's total revenues reported for fiscal year 2023. The remaining revenue sources, classified as general revenues, accounted for the remaining 84.3% of the total revenue sources and are comprised primarily of property tax and unrestricted intergovernmental revenues. Property tax revenues reported for the current year increased $2.1 million as the amount reported as available for advance at year end returned to normal levels after the significant reduction in the amount reported for the prior year. This amount, which is recorded as current year revenue, fluctuates from year to year depending on the timing tax receipts are received and processed by the County. Unrestricted grants and entitlements intergovernmental revenue decreased by 12.3% over the prior year as the State changed its funding methodology for the current fiscal year and provided more directed funding, as noted above, which is reported within program revenue. Combined, property taxes and unrestricted intergovernmental revenues account for 81.7% of the District's total revenue received for fiscal year 2023.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for the governmental activities. General revenues including tax revenue, investment earnings and unrestricted State entitlements must support the net cost of program services. Comparisons to 2022 are as follows:

TABLE 3
TOTAL AND NET COST OF PROGRAM SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30,

		2023		2022	
		Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	$	20,853,131	(18,463,707)	19,146,030	(16,904,975)
Support Services		10,777,159	(9,608,659)	9,528,165	(9,337,448)
Non-Instructional Services		1,075,562	(59,823)	1,006,780	216,096
Extracurricular Activities		1,470,720	(617,377)	1,419,619	(564,949)
Interest and Fiscal Charges		238,131	(238,131)	270,151	(270,151)
Total Expenses	$	34,414,703	(28,987,697)	31,370,745	(26,861,427)

The District is heavily reliant upon general revenue resources to finance operations. During fiscal year 2023, general revenues accounted for 84.3% of total revenues, with property tax revenue accounting for 54.5% alone. The reliance on general revenues to support governmental activities is indicated by the net services column reflecting the need for $29.0 million of general support to finance the total operation of the District. In total, general revenues were used to cover 84.2% of total expenses. The non-instructional services was the only functional area able to cover most of its cost of operation, due to food service.

The District's Funds

The financial statements for the District's governmental funds (starting after the Statement of Activities) report major funds (general and permanent improvement funds) individually and combine all other governmental funds into one column for reporting purposes. Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of $34.6 million and expenditures of $35.0 million. Overall fund balance of governmental funds decreased $794,515 over those at June 30, 2022.

The general fund is the primary operating fund of the District. The general fund balance decreased by $929,083 during the year compared to the $1.8 million decrease reported for the prior year. Total revenue for the general fund increased by 7.2% over those reported for the prior year due primarily to the increase in property taxes resulting from the increased amount reported as available for advance for the current year. General fund expenditures increased, but by only 2.6%. Increased expenditures related primarily from personnel and benefit costs increases, as well as additional expenditures incurred due to increased inflationary factors. Overall, the unassigned fund balance reported for the general fund at June 30, 2023 represents 27.2% of the total expenditures reported for the fund for the fiscal year compared with 30% for fiscal year 2022.

The other major governmental fund, the permanent improvement fund, reported an decrease in fund balance of $211,491 during the current fiscal year as the District wrapped up a few significant projects during the fiscal year.

General Fund Budget Information

Prior to the start of the fiscal year, the District adopted the permanent budget which anticipated ending the year with an ending general fund budgetary fund balance of $9.0 million. As the year progressed, the budget was amended several times as uncertainties that existed before the year became known. Overall, the effects of the various budgetary amendments changed the anticipated ending budget fund balance from the $9.0 million projected at the beginning of the year to $11.3 million at year-end. The actual ending budgetary fund balance reported by the District at June 30, 2023 was $11.8 million which was $577,760 more than the final amended budget as budgeted expenditures are based conservatively by the District. Budgeted revenue amounts increased during the year to account for the additional property taxes received. The District's ending budgetary fund balance at June 30, 2023 represents 54.8% of the budgetary expenditures reported for the year, excluding other financing uses.

Capital Assets

At the end of the fiscal year 2023, the District had $23.1 million invested in land, land improvements, buildings and improvements, and equipment and machinery. Table 4 shows the fiscal year 2023 balances compared to fiscal year 2022.

TABLE 4
NET CAPITAL ASSETS, JUNE 30

	2023	2022
Land	$ 2,278,313	2,278,313
Land Improvements	1,146,083	1,314,307
Buildings and Improvements	17,419,033	17,833,282
Machinery and Equipment	2,230,473	2,257,008
Total Net Capital Assets	$ 23,073,902	23,682,910

During the fiscal year, the District reported capital asset additions totaling $712,414 comprised mostly of HVAC work at the high school building, parking lot repaving, multiple interactive smart boards for classrooms, and a new 80 passenger school bus. Depreciation expense for the year totaled $1.3 million as well, resulting in the $609,008 decrease in the reported value of the District's capital assets. Additional information regarding capital assets can be found in Note 9 of this report.

Debt Administration

At June 30, 2023, the District reported $8.1 million in long-term liabilities related to outstanding debt obligations; $3.4 million of general obligation bonds, $314,207 of energy conservation notes payable, $400,000 of Tax Anticipation Notes and $3.9 million of financed purchases payable. Of the $8.1 million outstanding at year end, $2.0 million is scheduled for payment within the next fiscal year.

During the current year, the District made scheduled debt service payment which reduced the total outstanding debt obligations by $1.9 million from the start of the fiscal year.

Additional detailed information regarding long-term debt obligations is included in Note 10 to the basic financial statements.

Contacting the District

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the District's financial position and to show the District's accountability for the funds it receives. Should you have any questions about this report or any other financial matter, contact the Treasurer's Office at Tipp City Exempted Village School District, 90 South Tippecanoe Drive, Tipp City, Ohio 45371.

TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT

Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	$ 16,094,099
Materials and Supplies Inventory	14,875
Accounts Receivable	72,037
Intergovernmental Receivable	274,700
Prepaid Items	142,956
Property and Other Local Taxes Receivable	19,396,433
Net OPEB Asset	2,732,106
Capital Assets:	
Land	2,278,313
Depreciable Capital Assets, net	20,795,589
Total Assets	61,801,108
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Charge on Refunding	55,640
Pension and OPEB	8,125,378
Total Deferred Outflows of Resources	8,181,018
LIABILITIES:	
Accounts Payable	46,042
Accrued Wages and Benefits	2,591,068
Intergovernmental Payable	549,568
Accrued Interest Payable	14,805
Matured Compensated Absences Payable	25,267
Claims Payable	577,000
Long-Term Liabilities:	
Due Within One Year	2,221,371
Due in More Than One Year:	
Net Pension Liability	29,110,539
Net OPEB Liability	1,504,547
Other Amounts Due in More Than One Year	9,243,164
Total Liabilities	45,883,371
DEFERRED INFLOWS OF RESOURCES:	
Property Taxes not Levied to Finance Current Year Operations	16,992,012
Pension and OPEB	6,500,303
Total Deferred Inflows of Resources	23,492,315
NET POSITION:	
Net Investment in Capital Assets	15,070,335
Restricted for:	
Debt Service	1,629,963
Capital Projects	296,597
OPEB Plans	620,818
Food Service Operations	138,513
Student Activities	394,957
Federal and State Educational Grants	523,366
Other Purposes	61,259
Unrestricted	(18,129,368)
Total Net Position	$ 606,440

The notes to the financial statements are an integral part of this statement.

TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT

Statement of Activities
For the Fiscal Year Ended June 30, 2023

		Program Revenues		Net (Expense) Revenue and Change in Net Position
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Governmental Activities**
Governmental Activities:				
Instruction	$ 20,853,131	$ 216,933	$ 2,172,491	$ (18,463,707)
Support Services:				
Pupils	1,966,523	-	17,172	(1,949,351)
Instructional Staff	417,274	-	9,000	(408,274)
Board of Education	23,041	-	-	(23,041)
Administration	2,697,246	-	-	(2,697,246)
Fiscal	787,970	-	-	(787,970)
Business	140,176	-	-	(140,176)
Operation and Maintenance of Plant	2,628,270	99,640	510,000	(2,018,630)
Pupil Transportation	1,343,603	4,282	512,335	(826,986)
Central	773,056	-	16,071	(756,985)
Operation of Non-Instructional Services	1,075,562	607,575	408,164	(59,823)
Extracurricular Activities	1,470,720	643,670	209,673	(617,377)
Interest and Fiscal Charges	238,131	-	-	(238,131)
Total Governmental Activities	$ 34,414,703	$ 1,572,100	$ 3,854,906	(28,987,697)

General Revenues:	
Property Taxes Levied for:	
General Purposes	16,968,031
Debt Service	1,234,989
Capital Projects	641,617
Grants and Entitlements not Restricted to Specific Programs	9,376,402
Investment Earnings	485,146
Miscellaneous	421,300
Total General Revenues	29,127,485
Change in Net Position	139,788
Net Position - Beginning of Year	466,652
Net Position - End of Year	$ 606,440

The notes to the financial statements are an integral part of this statement

TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Permanent Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	$ 12,837,054	$ 459,599	$ 2,724,664	$ 16,021,317
Materials and Supplies Inventory	-	-	14,875	14,875
Accounts Receivable	72,037	-	-	72,037
Interfund Receivable	199,025	-	-	199,025
Intergovernmental Receivable	91,688	-	183,012	274,700
Prepaid Items	135,743	-	7,213	142,956
Property and Other Local Taxes Receivable	17,538,097	646,302	1,212,034	19,396,433
Advance to Other Funds	225,200	-	-	225,200
Total Assets	$ 31,098,844	$ 1,105,901	$ 4,141,798	$ 36,346,543
LIABILITIES:				
Accounts Payable	$ 23,153	$ -	$ 22,889	$ 46,042
Accrued Wages and Benefits	2,450,186	-	140,882	2,591,068
Interfund Payable	-	75,000	124,025	199,025
Intergovernmental Payable	534,206	-	15,362	549,568
Matured Compensated Absences	25,267	-	-	25,267
Advance from Other Funds	-	225,200	-	225,200
Total Liabilities	3,032,812	300,200	303,158	3,636,170
DEFERRED INFLOWS OF RESOURCES				
Property Taxes not Levied to Finance Current Year Operations	15,366,129	567,042	1,058,841	16,992,012
Unavailable Revenue	47,427	1,662	16,545	65,634
Total Deferred Inflows of Resources	15,413,556	568,704	1,075,386	17,057,646
FUND BALANCES:				
Nonspendable:				
Prepaid Items	135,743	-	7,213	142,956
Long-Term Receivable	225,200	-	-	225,200
Restricted:				
Debt Service	-	-	1,628,326	1,628,326
Capital Outlay	-	236,997	-	236,997
Food Service	-	-	207,061	207,061
Student Activities	-	-	394,957	394,957
State and Federal Grant Programs	-	-	554,719	554,719
Other Purposes	-	-	22,693	22,693
Assigned:				
School Supported Activities	121,607	-	-	121,607
School Supplies	209,966	-	-	209,966
Future Purchases	516,009	-	-	516,009
Subsequent Year Appropriations	3,453,893	-	-	3,453,893
Unassigned (Deficit)	7,990,058	-	(51,715)	7,938,343
Total Fund Balances	12,652,476	236,997	2,763,254	15,652,727
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 31,098,844	$ 1,105,901	$ 4,141,798	$ 36,346,543

The notes to the financial statements are an integral part of this statement.

TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT

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

Total Governmental Fund Balances	$	15,652,727
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		23,073,902
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds.		
Property Taxes Receivable		52,401
Intergovernmental Receivable		13,233
Certain items will not be recognized as expenditures for the current period and therefore are reported as deferred outflows of resources on the statement of net position.		
Deferred Charge on Refunding		55,640
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		(3,415,000)
Energy Conservation Notes		(314,207)
Tax Anticipation Notes		(400,000)
Direct Financed Purchase Payable		(3,930,000)
Compensated Absences		(3,405,328)
Accrued Interest on Long-Term Debt		(14,805)
The net pension liability, as well as the net OPEB asset and liability, are not current resources; therefore, these assets, liabilities, and related deferred outflows and inflows of resources are not reported in the governmental funds.		
Net OPEB Asset		2,732,106
Deferred Outflows - Pension and OPEB		8,125,378
Deferred Inflows - Pension and OPEB		(6,500,303)
Net Pension Liability		(29,110,539)
Net OPEB Liability		(1,504,547)
Internal service funds are used by management to accumulate sufficient resources to make payments for medical benefits claims through payroll charges to the funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.		(504,218)
Net Position of Governmental Activities	$	606,440

The notes to the financial statements are an integral part of this statement.

TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT

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

	General Fund	Permanent Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:				
Property and Other Local Taxes	$ 16,953,450	$ 641,280	$ 1,234,364	$ 18,829,094
Intergovernmental	10,395,439	76,270	2,511,822	12,983,531
Interest	474,759	-	10,387	485,146
Tuition and Fees	221,215	-	-	221,215
Rent	99,640	-	-	99,640
Extracurricular Activities	173,827	-	452,267	626,094
Gifts and Donations	40,257	75,000	171,306	286,563
Customer Sales and Services	-	-	603,041	603,041
Miscellaneous	421,300	-	22,110	443,410
Total Revenues	28,779,887	792,550	5,005,297	34,577,734
EXPENDITURES:				
Current:				
Instruction	18,174,836	36,113	937,982	19,148,931
Support Services:				
Pupils	1,912,167	-	14,063	1,926,230
Instructional Staff	367,926	-	34,533	402,459
Board of Education	25,545	-	-	25,545
Administration	2,712,229	-	-	2,712,229
Fiscal	777,429	11,090	21,534	810,053
Business	147,530	-	-	147,530
Operation and Maintenance of Plant	2,354,964	132,576	365,219	2,852,759
Pupil Transportation	1,294,703	-	34,190	1,328,893
Central	685,242	-	58,432	743,674
Operation of Non-Instructional Services	10,119	-	1,066,514	1,076,633
Extracurricular Activities	780,356	-	591,189	1,371,545
Capital Outlay	21,000	394,716	-	415,716
Debt Service:				
Principal	73,603	263,000	1,522,000	1,858,603
Interest and Fiscal Charges	10,161	166,546	24,742	201,449
Total Expenditures	29,347,810	1,004,041	4,670,398	35,022,249
Excess (Deficiency) of Revenues Over (Under) Expenditures	(567,923)	(211,491)	334,899	(444,515)
OTHER FINANCING SOURCES AND USES:				
Transfers In	-	-	11,160	11,160
Transfers Out	(361,160)	-	-	(361,160)
Total Other Financing Sources and Uses	(361,160)	-	11,160	(350,000)
Net Change in Fund Balances	(929,083)	(211,491)	346,059	(794,515)
Fund Balance at Beginning of Year	13,581,559	448,488	2,417,195	16,447,242
Fund Balance at End of Year	$ 12,652,476	$ 236,997	$ 2,763,254	$ 15,652,727

The notes to the financial statements are an integral part of this statement.

TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT

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

Net Change in Fund Balances - Total Governmental Funds		$ (794,515)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital Asset Additions	712,414	
Depreciation Expense	(1,321,422)	(609,008)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Increase in Unavailable Property Tax Revenue	15,543	
Decrease in Unavailable Intergovernmental Revenue	(38,786)	(23,243)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, deferred loss on refunding debt when first issued, whereas these amounts are amortized in the statement of activities.		
Repayment of Long-Term Bonds, Notes, and Direct Finance Debt	1,858,603	
Current Year Amortization of Deferred Charge on Refunding	(38,266)	1,820,337
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expense is reported when due.		1,584
Some expenses reported in the statement of activities do not required the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Increase in Compensated Absences Payable		(61,223)
Contractually required pension and OPEB plan contributions are reported as expenditures in the governmental funds; however, the statement of activities reports these amounts as deferred outflows.		2,645,892
Except for amounts reported as deferred inflows and outflows of resources, changes in the net pension liability and OPEB assets and liabilities are reported as expenses in the statement of activities.		(2,735,484)
Internal service funds are used by management to accumulate sufficient resources to make payments for medical benefits claims through payroll charges to the funds. The net revenue or expense of the internal service fund is allocated among the governmental activities on the statement of activities.		(104,552)
Change in Net Positon of Governmental Activities		$ 139,788

The notes to the financial statements are an integral part of this statement.

TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property Taxes	$ 8,787,735	$ 9,778,803	$ 9,778,803	$ -
Intergovernmental	9,028,260	9,603,639	9,711,942	108,303
Interest	446,860	380,000	480,699	100,699
Tuition and Fees	95,203	103,838	102,412	(1,426)
Rent	92,626	95,000	99,640	4,640
Extracurricular Activities	96,814	110,000	104,146	(5,854)
Miscellaneous	391,273	417,458	420,903	3,445
Total Revenues	18,938,771	20,488,738	20,698,545	209,807
Expenditures:				
Current:				
Instruction	11,223,846	10,722,978	10,587,254	135,724
Support Services:				
Pupils	2,020,088	1,951,500	1,905,513	45,987
Instructional Staff	390,469	415,160	368,322	46,838
Board of Education	30,423	37,557	28,697	8,860
Administration	2,922,394	2,821,645	2,756,642	65,003
Fiscal	685,185	677,906	646,323	31,583
Business	155,726	164,195	146,894	17,301
Operation and Maintenance of Plant	2,648,530	2,545,485	2,498,311	47,174
Pupil Transportation	1,410,634	1,328,987	1,330,626	(1,639)
Central	703,923	673,426	663,998	9,428
Operation of Non-Instructional Services	12,495	13,920	11,786	2,134
Extracurricular Activities	588,917	663,148	555,515	107,633
Capital Outlay	50,000	25,000	21,000	4,000
Debt Service:				
Principal	88,000	73,603	73,603	-
Interest and Fiscal Charges	15,000	15,000	10,161	4,839
Total Expenditures	22,945,630	22,129,510	21,604,645	524,865
Excess of Expenditures Over Revenues	(4,006,859)	(1,640,772)	(906,100)	734,672
Other Financing Sources (Uses):				
Advances In	350,000	350,000	225,547	(124,453)
Proceeds From Sale of Capital Assets	2,500	2,500	466	(2,034)
Refund of Prior Year Expenditures	50,000	50,000	-	(50,000)
Transfers Out	(150,000)	(225,000)	(355,425)	(130,425)
Advances Out	(150,000)	(150,000)	-	150,000
Total Other Financing Sources (Uses)	102,500	27,500	(129,412)	(156,912)
Net Change in Fund Balance	(3,904,359)	(1,613,272)	(1,035,512)	577,760
Fund Balance, July 1	12,571,992	12,571,992	12,571,992	-
Prior Year Encumbrances	312,248	312,248	312,248	-
Fund Balance, June 30	$ 8,979,881	$ 11,270,968	$ 11,848,728	$ 577,760

The notes to the financial statements are an integral part of this statement.

TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT

Statement of Fund Net Position
Internal Service Fund
June 30, 2023

	Governmental Activities Internal Service Fund
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$ 72,782
Total Assets	72,782
LIABILITIES:	
Current Liabilities:	
Claims Payable	577,000
Total Liabilities	577,000
NET POSITION:	
Unrestricted	(504,218)
Total Net Position	$ (504,218)

The notes to the financial statements are an integral part of this statement.

TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT

Statement of Revenues, Expenses and
Change in Fund Net Position
Internal Service Fund
For the Fiscal Year Ended June 30, 2023

	Governmental Activities Internal Service Fund
Operating Revenues:	
Charges for Services	$ 4,494,747
Total Operating Revenues	4,494,747
Operating Expenses:	
Purchased Services	875,868
Claims	4,071,031
Other	2,400
Total Operating Expenses	4,949,299
Operating Loss	(454,552)
Transfer In	350,000
Change in Net Position	(104,552)
Net Position at Beginning of Year	(399,666)
Net Position at End of Year	$ (504,218)

The notes to the financial statements are an integral part of this statement.

TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT

Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2023

	Governmental Activities Internal Service Fund
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash Received from Interfund Services Provided	$ 4,494,747
Cash Paid for Purchased Services	(875,868)
Cash Paid for Settlement of Claims	(4,168,031)
Cash Paid for Other Purposes	(2,400)
Net Cash Used by Operating Activities	(551,552)
Cash Flows from Non-Capital Financing Activities:	
Transfers from Other Funds	350,000
Net Decrease in Cash and Cash Equivalents	(201,552)
Cash and Cash Equivalents at Beginning of Year	274,334
Cash and Cash Equivalents at End of Year	$ 72,782
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	$ (454,552)
Adjustments:	
Decrease in Claims Payable	(97,000)
Net Cash Used by Operating Activities	$ (551,552)

The notes to the financial statements are an integral part of this statement.

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

	Custodial Fund
ADDITIONS:	
Extracurricular Amounts Collected for Other Organizations	$ 2,414
Total Additions	2,414
DEDUCTIONS:	
Extracurricular Distributions to Other Organizations	2,616
Total Deductions	2,616
Change in Net Position	(202)
Net Position at Beginning of Year	202
Net Position at End of Year	$ -

The notes to the financial statements are an integral part of this statement.

1. Description of the District and Reporting Entity

The Tipp City Exempted Village 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 governed by a locally elected, five-member Board of Education (the Board) which provides educational service oversight.

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading.

The primary government consists of all funds and departments, which provide various services including instruction, student guidance, extracurricular activities, food service, pre-school, educational media and care and upkeep of grounds and buildings. The operation of each of these activities is directly controlled by the Board of Education.

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 body 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; (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 for which the District approves the budget, the issuance of debt or the levying of taxes. The District does not have any component units.

The District is associated with organizations which are defined as jointly governed organizations and a related organization. Additional details on the three organizations defined as jointly governed organizations (Southwestern Ohio Educational Purchasing Council, Miami Valley Career Technology Center, and META Solutions) can be found in Note 17 to the basic financial statements. Information on the Tipp City Public Library, defined as a related organization, can be located in Note 18 to the basic financial statements.

2. Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to 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 more significant of the District's policies are described below.

2. Summary of Significant Accounting Policies (continued)

a. Fund Accounting

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

Governmental Funds
Governmental funds are those through which most governmental functions of the District are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets less 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 all financial resources except those required to be accounted for in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Permanent Improvement Fund - The permanent improvement fund is used to account for the resources generated by the 2.0 mill permanent improvement levy restricted for significant capital purchases or improvements and maintenance of District property.

Other governmental funds of the District may be used to account for specific resources that are restricted or committed to specified purposes.

Proprietary Fund
The proprietary fund focuses on the determination of operating income, the change in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the District has no enterprise funds.

Internal Service Fund – The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the District on a cost reimbursement basis. The District has one internal service fund which is used to account for the District's self-insured medical benefits program.

Fiduciary Funds
Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Custodial funds are used to report fiduciary activities not accounted for within trust funds. The District's only fiduciary fund, a custodial fund, accounts for the activity of State athletic tournament games held within the District for which the District acts as the fiscal agent.

2. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation

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 statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental 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 requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

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 non-major funds are aggregated into one column. Internal service and fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and liabilities, as well as deferred inflows of resources, are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in current fund balances. Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus.

2. Summary of Significant Accounting Policies (continued)

c. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The Fund financial statements are prepared using either modified accrual for governmental funds or accrual basis for proprietary and fiduciary funds.

Revenues, Exchange and Non-exchange Transactions
Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period of the District is sixty (60) days after year end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, intergovernmental grants and student fees.

Deferred Outflows/Inflows of Resources
In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charge on refunding, pension, and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained further in Notes 12 and 13.

2. Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources until that time. For the District, deferred inflows of resources include property taxes, unavailable revenue, pension, and OPEB. 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 on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 12 and 13).

Expenditures/Expenses
The measurement focus of governmental fund accounting is on flow of current financial resources. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred except for (1) principal and interest on general long-term debt, which is recorded when due, and (2) the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities to the extent that payments come due each period upon the occurrence of employee resignations and retirements. Allocation of costs, such as depreciation and amortization, are not recognized in governmental funds.

The accrual basis of accounting utilized for the government-wide, as well as proprietary and fiduciary fund, financial statements recognize revenues when they are earned, and expenses are recognized at the time they are incurred.

Budgets and Budgetary Accounting
The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than custodial funds, are legally required to be budgeted and appropriated, however the District elects to adopt appropriations and budgets for its custodial fund. The legal level of control is at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

2. Summary of Significant Accounting Policies (continued)

Tax Budget
Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing on the following July 1. As Miami County has waived the formal tax budget filing, an alternative tax budget is submitted to the County Auditor, as Secretary of the County Budget Commission, prior to the start of the fiscal year.

Estimated Resources
Prior to March 15, 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 June 30, 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 the basis for the appropriation measure. On or about July 1, the Certificate is amended to include unencumbered cash balances from the preceding year. The certificate may be further amended during the year if the fiscal officer determines that the revenue collected is greater or less than the current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2023.

Appropriations
Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures for all funds, which is the legal level of budgetary control.

Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenditures of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals at the legal level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriation by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. The budget figures, which appear in the statements of budgetary comparison, represent the final appropriation amounts, including all amendments and modifications.

2. Summary of Significant Accounting Policies (continued)

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures from exceeding appropriations. On the fund financial statement encumbrances are reported within the restricted, committed or assigned fund balances depending on the restrictions placed upon the resources encumbered. For the general fund, encumbrances are reported as a component of assigned fund balance indicating that amount is not currently available. Encumbrances are reported as part of expenditures on a non-GAAP budgetary basis.

Lapsing of Appropriations
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. Encumbered appropriations are carried forward to the succeeding fiscal year and are not re-appropriated.

d. Cash and Investments

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each had maintained its own cash and investment account (See Note 5 for additional details).

Cash and cash equivalents include investments of the investment pool as well as individual investments with original maturities of three months or less.

Under existing Ohio statutes, all investment earnings accrue to the general fund unless specifically required to be allocated to other funds. Investment earnings credited to the general fund during the fiscal year amounted to $474,759, which includes $114,960 assigned from other District funds.

During fiscal year 2023, 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 a NAV per share that approximates fair value.

2. Summary of Significant Accounting Policies (continued)

For fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, a 24-hour notice is encouraged for all deposits and withdrawals exceeding $100 million. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

e. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market using the first in, first out (FIFO) method and are expensed when used.

On fund financial statements, inventories of governmental funds are valued at cost. For all funds, cost is determined using the FIFO method, and are determined by physical count. Inventory in governmental funds consists of expendable supplies held for consumption, and supplies held for resale. The cost is recorded as an expenditure when used. Reported inventories in these funds are reported as a non-spendable component of fund balance.

f. Capital Assets and Depreciation

General capital assets are reported in 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 the acquisition value as of the date received. The District follows the policy of not capitalizing assets with a cost of less than $1,500 and a useful life of less than 1 year. The District does not possess any infrastructure.

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

Description	Useful Life (years)
Land Improvements	20
Buildings and Improvements	20 - 50
Machinery and Equipment	5 - 20

2. Summary of Significant Accounting Policies (continued)

g. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as interfund receivables/payables. Long-term interfund loans are reported as advances to/from other funds and are equally offset by non-spendable fund balance to indicate they are not available financial resources, and therefore not available for appropriation. These amounts are eliminated in the statement of net position.

h. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation is attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. Employees may earn 15 days of sick leave per year up to a cumulative maximum of 210 days. Upon retirement, employees can receive a portion of the sick leave between 27% to 39%, depending on the type of employment contract. In addition, a Merit Service Retirement Award may be paid for sick leave balances in excess of the 210 days depending upon the type of employment contract.

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. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employee will be paid.

i. 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 from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension and OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension and OPEB plans' fiduciary net position is not sufficient for payment of those benefits. Long-term debt service paid from governmental funds is not recognized as a liability in the fund financial statements until they come due.

2. Summary of Significant Accounting Policies (continued)

j. Pensions/Other Postemployment Benefit (OPEB) Plans

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

k. Fund Balance

The District reports classifications of fund balance based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The following categories are used:

Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally required to be maintained intact.

Restricted – amounts that have constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the District's highest level of decision-making authority, the Board of Education.

Assigned – amounts that are constrained by the District's intent to be used for specific purpose, but are neither restricted or committed. Assigned amounts include those approved through the District's formal purchasing procedure by the Treasurer. Through the District's purchasing policy, the Board of Education has given the Treasurer the authority to constrain monies for intended purposes.

Unassigned – residual fund balance within the general fund that is in spendable form that is not restricted, committed or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

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

2. Summary of Significant Accounting Policies (continued)

l. Net Position

Net position represents the difference between assets and deferred outflows of resources compared with liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws, regulations or other governments. There was no net position restricted by enabling legislation at June 30, 2023.

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

m. Interfund Activity

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements to avoid "doubling up" revenues and expenses. Flows of cash or goods from one fund to another without requirement of repayment are reported as interfund transfers. Transfers within governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are also eliminated. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Repayments from funds responsible for particular expenditures to the fund(s) that initially paid for them are not presented on the financial statements.

n. Estimates

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

3. Accountability – Deficit Fund Balances

Individual fund deficits reported at June 30, 2023 include the following: Elementary and Secondary School Emergency Relief ($5,765) and Title VI-B ($39,010).

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

4. Budgetary Basis of Accounting

While the District is reporting financial position, results of operations and changes in fund balance on the basis of GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual 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 GAAP basis are that:

- Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- In order to determine compliance with Ohio law, and reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to an assignment of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and,
- Some funds are included in the general fund (GAAP basis) but have separate legally adopted budgets (budget basis).

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

Net Change in Fund Balance		
		General Fund
Budget Basis	$	(1,035,512)
Adjustments:		
Revenue Accruals		194,165
Expenditure Accruals		(162,142)
Encumbrances		202,499
Other Financing Sources (Uses)		(226,013)
Perspective Budgeting Difference		97,920
GAAP Basis	$	(929,083)

5. Deposits and Investments

State statutes require the classification of monies held by the District into three categories.

Active Monies - Those monies required to be kept in a "cash" or "near-cash" status for immediate use by the district. Such monies must be maintained either as cash in the District Treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive Monies - Those monies not required for use within the current five-year period of designation of depositories. Inactive monies may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories, or as savings or deposit accounts including, but not limited to, passbook accounts.

Interim Monies - 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. Ohio law permits interim monies to be invested in legal securities, as listed below.

- 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;
- 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;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- The State Treasurer's investment pool (STAR Ohio);
- Banker's acceptance and commercial paper if training requirements have been met, and;
- Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts.

5. Deposits and Investments (continued)

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

Deposits
The carrying amount of all District deposits was $5,938,822, which includes $17,116 of cash on hand, and bank deposits totaled $6,211,479 at June 30, 2023. At June 30, 2023, $3,903,842 of the District's bank balances were covered by Federal Deposit Insurance Corporation and the remaining bank balance of $2,307,637 was covered by pooled collateral as described below.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. The District's policy for deposits is that any balance not covered by depository insurance will be collateralized by the financial institution with pledged or pooled securities. Ohio law requires that deposits either be insured or be protected by:

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

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

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

	Fair	Maturity (in years)		
Investment Type	**Value**	**less than 1**	**1-3**	**more than 3**
US Treasury Bonds	$ 293,745	$ -	$ -	$ 293,745
Negotiable Certificates of Deposits	555,862	228,540	110,186	217,136
Money Market	4,494	4,494	-	-
STAR Ohio	9,301,176	9,301,176	-	-
Total	$ 10,155,277	$ 9,534,210	$ 110,186	$ 510,881

5. **Deposits and Investments** (continued)

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 follows Ohio Revised Code (ORC) which limits the amount of credit risk it's going to allow any district to become involved in. It accomplishes this by compiling a specific list of investments, to the exclusion of all other investments, which school districts are legally allowed to participate in. The District has no policy limiting investments based on credit risk other than those established by ORC.

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 investment or collateral securities that are in the possession of an outside party. The District's investment in STAR Ohio was rated AAAm by Standard & Poor's. Investments in negotiable CDs and money market accounts are not rated.

Concentration of Credit Risk
The District places a limit on the percentage of the portfolio that may be held in the form of commercial paper, other than this stipulation, the District places no limit on the amount that may be invested in any one issuer. The investment in STAR Ohio, negotiable CDs, US Treasury Bonds, and money market accounts represented 92%, 5%, 3% and less than 1%, respectively, of the District's June 30, 2023 investment portfolio.

Fair Value Measurement
The District's investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 – Investments reflect prices quoted in active markets.

Level 2 – Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the transparency of the instrument and should not be perceived as the particular investment's risk. The District's investment in US Treasury Bonds are classified as level 1 based on quoted market prices in active markets. The District's investment in negotiable certificates of deposits (noted above) are classified as level 2 based on the valuation based on pricing sources as provided by the investment managers. The District's investment in money market funds and STAR Ohio are measured at amortized cost and NAV, respectively.

6. Property Taxes

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

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

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

	2023 First Half Collections	2022 Second Half Collections
Agricultural/Residential and Other Real Estate	$ 565,680,640	$ 468,372,250
Public Utility Personal	13,594,490	12,752,920
Total Assessed Value	$ 579,275,130	$ 481,125,170
Tax rate per $1,000 of assessed valuation	$50.85	$54.19

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became 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 available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred inflows of resources for the portion not intended to finance current year operations. On the accrual basis, total delinquent property tax amounts existing at year end have been recorded as revenue.

7. Receivables

Receivables at June 30, 2023 consisted of taxes, accounts (tuition and student fees), and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. Intergovernmental receivable consisted of the following:

	Amount
General Fund:	
Medicaid Reimbursement	$ 91,688
Non-Major Governmental Funds:	
ESSER	76,984
IDEA, Part B Grant	76,345
Title I Grant	22,913
Title IIA, Improving Teacher Quality Grant	6,770
Total	$ 274,700

8. Interfund Transactions

Interfund balances on the fund statements at June 30, 2023 consist of the following receivables and payables:

Fund	Receivable	Payable
General Fund	$ 199,025	-
Permanent Improvement Fund	-	$ 75,000
Non-Major Governmental Funds:		
ESSER - CARES Act	-	64,279
Title VIB Grant	-	37,852
Title I Grant	-	15,124
Title II-A Grant	-	6,770
	$ 199,025	$ 199,025

All amounts reported as interfund receivables and payables are expected to be repaid to the general fund within one year from June 30, 2023. In a prior year, the general fund advanced funds to the permanent improvement fund to finance certain improvement projects. This advance is anticipated to be paid to the general fund over a ten-year period which started in fiscal year 2019. The amount expected to be repaid in the subsequent fiscal year is shown as “interfund receivable and payable” in the governmental fund while the long-term portion (greater than one year) is reported as “advance to and from other funds”. During fiscal year 2023, the District returned $75,000 to the general fund.

In addition, during the fiscal year the general fund transferred $361,160 to the student managed activities ($11,160) non-major fund and $350,000 to the self-insured medical benefits internal service fund to provide necessary operating resources during the year.

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

9. Capital Assets

A summary of capital asset activity during the fiscal year follows:

	Balance at 7/1/2022	Additions	Deductions	Balance at 6/30/2023
Capital Assets, not being depreciated:				
Land	$ 2,278,313	$ -	$ -	$ 2,278,313
Capital Assets, being depreciated:				
Land Improvements	5,439,913	90,738	-	5,530,651
Buildings and Improvements	32,025,287	237,795	-	32,263,082
Machinery and Equipment	6,701,655	383,881	(80,427)	7,005,109
Total Cost	46,445,168	712,414	(80,427)	47,077,155
Less: Accumulated Depreciation:				
Land Improvements	(4,125,606)	(258,962)	-	(4,384,568)
Buildings	(14,192,005)	(652,044)	-	(14,844,049)
Machinery and Equipment	(4,444,647)	(410,416)	80,427	(4,774,636)
Total Depreciation	(22,762,258)	(1,321,422) *	80,427	(24,003,253)
Total Capital Assets, net	$ 23,682,910	$ (609,008)	$ -	$ 23,073,902

* - Depreciation expense was charged to governmental functions as follows:

Instruction	$ 1,031,361
Support Services:	
Pupil	320
Instructional Support	7,345
Administrative	6,390
Fiscal	241
Business	1,198
Operation and Maintenance	51,273
Pupil Transportation	174,619
Central	4,789
Non-Instructional Services	4,959
Extracurricular Activities	38,927
Total Depreciation Expense	$ 1,321,422

10. Long-Term Obligations

The activity of the District's long-term obligations during fiscal year 2023 was as follows:

	Balance 7/1/2022	Increase	Decrease	Balance 6/30/2023	Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
2021 Refunding Bonds					
Term, 1.95%	$ 4,817,000	$ -	$ (1,522,000)	$ 3,295,000	$ 1,694,000
2015 Land Acquisition					
Bonds, 1.95%	155,000	-	(35,000)	120,000	40,000
Total General Obligation Bonds	4,972,000	-	(1,557,000)	3,415,000	1,734,000
Energy Conservation Notes:					
HB 264 Improvements, 2.62%	387,810		(73,603)	314,207	75,531
Long Term Notes:					
Tax Anticipation Notes, Series 2022	438,000	-	(38,000)	400,000	39,000
Financed Purchase:					
Direct Purchase Payable	4,120,000	-	(190,000)	3,930,000	200,000
Net Pension Liability:					
SERS	3,726,565	1,928,106	-	5,654,671	-
STRS	13,595,644	9,860,224	-	23,455,868	-
Total Net Pension Liability	17,322,209	11,788,330	-	29,110,539	-
Net OPEB Liability:					
SERS	1,973,161	-	(468,614)	1,504,547	-
Compensated Absences	3,344,105	278,437	(217,214)	3,405,328	172,840
Total Governmental Activities	$ 32,557,285	$12,066,767	$ (2,544,431)	$ 42,079,621	$ 2,221,371

a. General Obligations Bonds

The $6.9 million 2015 refunding bond issue consists of serial interest bonds bearing an interest rate of 2.53% that had a final maturity of December 1, 2024. These bonds were advanced refunded by the District through the issuance of refunding bonds in 2021.

In 2015, the District issued $360,000 of land acquisition bonds to provide financing for the acquisition of real estate for District purposes. These bonds carry an interest rate of 1.95% and have interest payment dates of June 1st and December 1st each year, beginning June 1, 2016. Principal payment dates of December 1st each year have been established beginning on December 1, 2016 and concluding on December 1, 2025. These bonds are subject to optional redemption, at the option of the District, on any date on or after December 1, 2020 at a redemption price equal to 101% of the par value of the bonds to be redeemed.

10. Long-Term Obligations (continued)

On November 4, 2021, the District issued $6,065,000 of general obligation refunding bonds through a direct placement sale, to refund the remaining portion of the 2015 refunding bonds at the call date of November 4, 2021. The 2021 refunding bonds consist of one-year term bonds with a stated interest rate of 0.61 percent annually and a final maturity date of December 1, 2024. The proceed of this issuance, along with certain funds provided by the District, were used to satisfy the debt service requirements of the 2015 refunding bonds at the call date. As a result, the liability associated with the 2015 refunding bonds have been removed from the statement of net position.

The reacquisition price exceeded the net carrying value of the 2015 refunding bonds by $65,214. This amount is being reported as a deferred charge on refunding on the statement of net position and is being amortized over the term of the 2021 refunding bonds.

A summary of the District's future debt service payments, including principal and interest payments, related to general obligation bonds are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 1,734,000	$ 16,883	$ 1,750,883
2025	1,641,000	6,053	1,647,053
2026	40,000	390	40,390
Total	$ 3,415,000	$ 23,326	$ 3,438,326

b. Energy Conservation Notes

In 2013, the District issued $1,028,010 of energy conservation notes through the Ohio School Facilities Commission's Energy Conservation Program, commonly known as the HB 264 program. Improvements included lighting and building automation upgrades as well as air filtration and boiler optimization work. A summary of the District's future debt service payments, including principal and interest payments, related to the energy conservation notes payable are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 75,531	$ 8,232	$ 83,763
2025	77,510	6,253	83,763
2026	79,541	4,223	83,764
2027	81,625	2,138	83,763
Total	$ 314,207	$ 20,846	$ 335,053

10. Long-Term Obligations (continued)

c. Financed Purchase – Direct Purchase Agreement

The District entered into a direct purchase agreement in a prior year to provide financing for certain improvements to District facilities. The following is a schedule of the future principal and interest payments required by this agreement as of June 30, 2023:

Fiscal Year	Principal	Interest	Total
2024	$ 200,000	$ 143,242	$ 343,242
2025	205,000	135,669	340,669
2026	215,000	127,814	342,814
2027	220,000	119,680	339,680
2028	230,000	111,265	341,265
2029 - 2033	1,300,000	417,010	1,717,010
2034 - 2038	1,560,000	150,161	1,710,161
	$ 3,930,000	$ 1,204,841	$ 5,134,841

d. Tax Anticipation Notes

On June 29, 2022 the District issued $438,000 of permanent improvement levy tax anticipation notes. The notes are subject to a mandatory sinking fund redemption of the principal amount to be redeemed plus accrued interest beginning on June 1, 2023 and maturing on June 1, 2032. A summary of the District's future debt service payments, including principal and interest payments, related to the Tax Anticipation notes payable are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 39,000	$ 12,870	$ 51,870
2025	40,000	11,583	51,583
2026	42,000	10,230	52,230
2027	43,000	8,844	51,844
2028	44,000	7,425	51,425
2029 - 2032	192,000	14,487	206,487
	$ 400,000	$ 65,439	$ 465,439

e. Other Long-Term Liabilities

The District pays obligations related to employee compensation (compensated absences as well as pension and OPEB plan contributions) from the fund benefitting from their service; specifically, the general fund, food service fund, IDEA Part B grant fund, and Title I grant fund.

11. Risk Management

The District is exposed to various risks of loss related to torts, theft or, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2023, the District contracted with Liberty Mutual for fleet insurance coverage (deductible of $1,000) as well as buildings and contents coverage (deductible of $10,000). There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

Effective October 1, 2019, the District started providing employee medical and prescription drug benefits through a self-insured program in which claims are processed by UMR, the third-party administrator. The District purchases stop loss insurance to cover catastrophic claims which exceed $100,000 for individual claims and $1.0 million in the aggregate. The Board contributes 81.5% of the premium for full-time classified employees and 80.0% for full-time certificated employees. The contribution percentage for employees that are less than full-time is based on a sliding scale based on hours worked per day.

The following table summarizes the medical and prescription benefit claims for the past two fiscal years.

Fiscal Year	Beginning Claims Payable	Current Claims	Claims Payments	Ending Claims Payable
2023	$ 674,000	$ 4,071,031	$ 4,168,031	$ 577,000
2022	567,000	3,955,735	3,848,735	674,000

12. Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions 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 liability represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

12. Defined Benefit Pension Plans (continued)

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

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for contractually-required pension contributions outstanding at the end of the fiscal year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, 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 on or after August 1, 2017
Full benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; 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.

12. Defined Benefit Pension Plans (continued)

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2% for the first 30 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. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2023.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% 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% for plan members and 14% 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, and Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the 14% was allocated to only three of the funds (Pension Trust Fund, Death Benefit Fund and Medicare B Fund).

The District's contractually required contribution to SERS was $596,416 for fiscal year 2023. Of this amount, $113,364 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

12. Defined Benefit Pension Plans (continued)

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

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

The DC Plan allows members to place all their member contributions and 9.53% 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 liabilities. Effective July 1, 2022, 2.91% of salaries are used to pay for unfunded liabilities. 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 CO Plan offers features of both the DB Plan and the DC Plan. In the CO Plan, 12% of the 14% member rate is deposited into the member's DC account 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 CO Plan payment is payable to a member on or after age 60 with 5 years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

New members who choose the DC Plan or CO 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 Ohio plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's CO Plan account to a lifetime benefit results in STRS Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options as one defined benefit plan for GASB Statement No. 68 reporting purposes.

12. Defined Benefit Pension Plans (continued)

A DB or CO 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 10 years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance.

Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2023, plan members were required to contribute 14% of their annual covered salary. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2023 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was approximately $1,968,179 for fiscal year 2023. Of this amount, $168,926 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources for 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 projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate share of the net pension liability	$ 5,654,671	$ 23,455,868	$ 29,110,539
Proportion of the net pension liability	0.104546%	0.105514%	
Change in proportionate share	0.003547%	-0.000819%	
Pension expense	$ 391,714	$ 2,853,322	$ 3,245,036

12. Defined Benefit Pension Plans (continued)

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	$ 229,019	$ 300,266	$ 529,285
Net difference between projected and actual earnings on pension plan investments	-	816,213	816,213
Change in assumptions	55,795	2,806,962	2,862,757
Change in District's proportionate share and difference in employer contributions	162,484	415,498	577,982
District contributions subsequent to the measurement date	596,416	1,968,179	2,564,595
Total	$ 1,043,714	$ 6,307,118	$ 7,350,832
Deferred Inflows of Resources:			
Differences between expected and actual experience	$ 37,122	$ 89,726	$ 126,848
Net difference between projected and actual earnings on pension plan investments	197,322	-	197,322
Change in assumptions	-	2,112,837	2,112,837
Change in District's proportionate share and difference in employer contributions	-	122,534	122,534
Total	$ 234,444	$ 2,325,097	$ 2,559,541

$2,564,595 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 net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ 120,899	$ 229,203	$ 350,102
2025	45,917	25,832	71,749
2026	(281,879)	(619,999)	(901,878)
2027	327,917	2,378,806	2,706,723
	$ 212,854	$ 2,013,842	$ 2,226,696

12. Defined Benefit Pension Plans (continued)

Actuarial Assumptions – SERS

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

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

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will consider the employee's entire career with the employer and 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.

The following are the key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2022:

Inflation:	
Current measurement period	2.40 percent
Prior measurement period	2.40 percent
Future salary increases, including inflation	
Current measurement period	3.25 percent to 13.58 percent
Prior measurement period	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	
Current measurement period	2.00 percent, on and after 4/1/2018, COLA's for future retirees will be delayed for 3 years following retirement.
Prior measurement period	2.00 percent, on and after 4/1/2018, COLA's for future retirees will be delayed for 3 years following retirement.
Investment rate of return	
Current measurement period	7.00 percent net of investment expense, including inflation
Prior measurement period	7.00 percent net of investment expense, including inflation
Actuarial cost method	Entry Age Normal

12. Defined Benefit Pension Plans (continued)

Mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Health 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. Mortality among contingent survivors were based upon the PUB-2010 General Amount Weighed Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. The PUB-2010 General Amount Weighted Below Median Employee mortality table was used for active members. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The actuarial assumptions used were based on the results of an actuarial experience study for the period ending July 1, 2015 to June 30, 2020 adopted by the Board on April 15, 2021.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	-0.45%
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 strategies	4.00%	3.39%
Private debt/private credit	3.00%	5.38%
Total	100.00%	

12. **Defined Benefit Pension Plans** (continued)

Discount Rate – Total pension liability was calculated using the discount rate of 7.0%. 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 earning were calculated using the long-term assumed investment rate of return (7.0%). 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 7.0%, 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 (6.0%), or one percentage point higher (8.0%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	$ 8,323,406	$ 5,654,671	$ 3,406,298

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases:	
Current measurement period	Varies by service from 2.5% to 8.5%
Prior measurement period	12.50% at age 20 to 2.50% at age 65
Payroll increases	
Current measurement period	3.00%
Prior measurement period	3.00%
Investment rate of return, including inflation:	
Current measurement period	7.00%, net of investment expenses
Prior measurement period	7.00%, net of investment expenses
Discount rate of return	
Current measurement period	7.00%
Prior measurement period	7.00%
Cost-of-living adjustments (COLA)	0.00%

12. Defined Benefit Pension Plans (continued)

Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

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 Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

Asset Class	Target Allocation *	Long-Term Expected 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 October 1, 2022.

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

Discount Rate – The discount rate used to measure the total pension liability was 7.0% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS'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 7.0% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

12. 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 presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.0%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.0%) or one-percentage-point higher (8.0%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	$ 35,433,279	$ 23,455,868	$ 13,326,688

13. Other Post-Employment Benefits (OPEB) Plans

Net OPEB Asset/Liability

The net OPEB asset/liability reported on the statement of net position represents a liability to (or assets for) employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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 OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including OPEB.

13. **Other Post-Employment Benefits (OPEB) Plans** (continued)

GASB Statement No. 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB asset/liability. Resulting adjustments to the net OPEB asset/liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability or fully-funded benefits as a long-term net OPEB asset on the accrual basis of accounting. Any liability for contractually-required OPEB contributions outstanding at the end of the fiscal year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

SERS' Health Care program provides health care benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986 need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and, therefore, enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute.

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 fiscal year 2023, there was no portion allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, the minimum compensation 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 $81,297.

13. **Other Post-Employment Benefits (OPEB) Plans** (continued)

Plan Description - State Teachers Retirement System (STRS)

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 Board to offer this plan.

Coverage under the current program includes hospitalization, physicians' fees and prescription drugs and partial reimbursement of the monthly Medicare Part B premiums. Pursuant to the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by the Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. 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 Asset/Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

	SERS	STRS	Total
Proportionate share of the net OPEB asset	$ -	$ 2,732,106	$ 2,732,106
Proportionate share of the net OPEB liability	1,504,547	-	1,504,547
Proportion of the net OPEB asset/liability	0.107161%	0.105514%	
Change in proportionate share	0.002903%	-0.000819%	
OPEB (negative) expense	$ (31,700)	$ (477,852)	$ (509,552)

13. Other Post-Employment Benefits (OPEB) Plans (continued)

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	$ 12,648	$ 39,606	$ 52,254
Net difference between projected and actual earnings on OPEB plan investments	7,820	47,560	55,380
Change in assumptions	239,318	116,377	355,695
Difference between employer contributions and proportionate share of contributions	197,118	32,802	229,920
District contributions subsequent to the measurement date	81,297	-	81,297
Total	$ 538,201	$ 236,345	$ 774,546
Deferred Inflows of Resources:			
Differences between expected and actual experience	$ 962,418	$ 410,309	$ 1,372,727
Net difference between projected and actual earnings on OPEB plan investments	-	-	-
Change in assumptions	617,626	1,937,324	2,554,950
Difference between employer contributions and proportionate share of contributions	13,085	-	13,085
Total	$ 1,593,129	$ 2,347,633	$ 3,940,762

$81,297 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 asset/liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (231,517)	$ (612,139)	$ (843,656)
2025	(254,575)	(604,373)	(858,948)
2026	(240,710)	(290,798)	(531,508)
2027	(149,704)	(121,321)	(271,025)
2028	(98,416)	(159,456)	(257,872)
2029-2031	(161,303)	(323,201)	(484,504)
	$ (1,136,225)	$ (2,111,288)	$ (3,247,513)

13. **Other Post-Employment Benefits (OPEB) Plans** (continued)

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 consider the employee's entire career with the employer and take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

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

Investment rate of return:	
Current measurement date	7.00% of net investment expense, including inflation
Prior measurement date	7.00% of net investment expense, including inflation
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%
Municipal bond index rate:	
Current measurement date	3.69%
Prior measurement date	1.92%

13. Other Post-Employment Benefits (OPEB) Plans (continued)

Single equivalent interest rate, net of plan investment expense:	
Current measurement date	4.08%, including price inflation
Prior measurement date	2.27%, including price inflation
Medical Trend Assumption:	
Current measurement date	7.00% - 4.40%
Prior measurement date	6.75% - 4.40%

Mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Health 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. Mortality among contingent survivors were based upon the PUB-2010 General Amount Weighed Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. The PUB-2010 General Amount Weighted Below Median Employee mortality table was used for active members. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The actuarial assumptions used were based on the results of an actuarial experience study for the period ending July 1, 2015 to June 30, 2020 adopted by the Board on April 15, 2021.

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 averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	-0.45%
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 strategies	4.00%	3.39%
Private debt/private credit	3.00%	5.38%
Total	100.00%	

13. Other Post-Employment Benefits (OPEB) Plans (continued)

Discount Rate – The discount rate used to measure the total OPEB liability at June 30, 2022 was 4.08%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and SERS at the state statute contribution rate of 1.5% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and no contributions from basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2044. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2043 and the Municipal Bond Index rate of 3.69% as of June 30, 2022 (i.e., municipal bond rate) was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and 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 calculated using the discount rate of 4.08%, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.08%) and one percentage point higher (5.08%) than the current rate.

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
District's proportionate share of the net OPEB liability	$ 1,868,670	$ 1,504,547	$ 1,210,601

The following table presents the net OPEB liability calculated using current health care cost trend rates, as well as what the District's net OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower (6.00% decreasing to 3.40%) and one percentage point higher (8.00% decreasing to 5.40%) than the current rates.

	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
District's proportionate share of the net OPEB liability	$ 1,160,276	$ 1,504,547	$ 1,954,221

13. **Other Post-Employment Benefits (OPEB) Plans** (continued)

Actuarial Assumptions - STRS

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Salary increases	
Current measurement date	Varies by service from 2.5% to 8.5%
Prior measurement date	12.50% at age 20 to 2.50% at age 65
Payroll increases:	
Current measurement date	3.00%
Prior measurement date	3.00%
Investment rate of return:	
Current measurement date	7.00%, net of investment expenses, including inflation
Prior measurement date	7.00%, net of investment expenses, including inflation
Discount rate of return:	
Current measurement date	7.00%
Prior measurement date	7.00%

Health care cost trends:	Current Measurement		Prior Measurement	
	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%

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. Additionally, healthcare trends were updated to reflect emerging claims and recoveries experience.

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 Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

13. Other Post-Employment Benefits (OPEB) Plans (continued)

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 phased in over a 3-month period concluding October 1, 2022.

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

Discount Rate – The discount rate used to measure the total OPEB liability was 7.0% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on OPEB plan assets of 7.0% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and the Health Care Cost Trend Rates – The following table presents the District's proportionate share of the net OPEB asset calculated using the current period discount rate assumption of 7.0%, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.0%) and one percentage point higher (8.0%) than the current rate. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net OPEB asset	$ 2,525,760	$ 2,732,106	$ 2,908,858

	1% Decrease In Trend Rates	Current Trend Rates	1% Increase In Trend Rates
District's proportionate share of the net OPEB asset	$ 2,833,858	$ 2,732,106	$ 2,603,668

14. Contingencies

a. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits should become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2023, if applicable, cannot be determined at this time.

b. Litigation

The District is currently involved in various legal proceedings however management does not believe any will have a significant financial impact to the District's financial position.

15. Commitments - Encumbrances

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 Type	Year-End Encumbrances
General fund	$ 550,528
Permanent improvement fund	271,261
Other governmental funds	191,281
Total	$ 1,013,070

16. Statutory Reserve

The District is required by State statute to annually set aside, in the general fund, an amount based on a statutory formula for the acquisition or construction of capital improvements. Amounts not spent by the year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for this same purpose in future years. The following cash basis information describes the change in year-end set aside amounts. Disclosure of this information is required by State statute.

16. Statutory Reserve (continued)

	Capital Acquisition
Set-aside cash balance as of June 30, 2022	$ -
Current year set-aside requirements	538,274
Current year offset	(538,274)
Total	$ -
Set-aside cash balance carried forward to FY 2024	$ -

Although the District had current year offsets which exceeded the current year set-aside requirement, the excess amount may not be used to reduce the set-aside requirements of future fiscal years. Therefore, the excess is not presented as being carried forward to the next fiscal year.

17. Jointly Governed Organizations

a. Southwestern Ohio Educational Purchasing Council

The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing council made up of 126 public school districts in 18 counties in southwestern Ohio. The purpose of the council is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC. Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One-year prior notice is necessary for withdrawal from the group.

During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the general fund. $34,346 was paid to SOEPC by the District during fiscal year 2023. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, 303 Corporate Center, Suite 208, Vandalia, Ohio, 45377.

17. Jointly Governed Organizations (continued)

b. Miami Valley Career Technology Center

The Miami Valley Career Technology Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the fifteen participating school districts' elected boards, which possesses its own budgeting and taxing authority. One member is appointed from the following city and/or exempted village school districts: Carlisle, Miamisburg, Milton-Union, Northmont, Vandalia, Versailles, Huber Heights, Eaton, Trotwood, Tipp City, and West Carrollton. Three members are appointed from the Montgomery County Educational Service Center, one from the Miami County Educational Service Center, one from the Darke County Educational Service Center, and one from the Preble County Educational Service Center. During fiscal year 2023, there were no payments to this organization. To obtain financial information, write to the Miami Valley Career Technology Center, Bradley McKee, who serves as Treasurer, at 6800 Hoke Road, Clayton, Ohio 45315.

c. META Solutions

The District is a member of META Solutions which is an association of public entities throughout Ohio. Membership in META Solutions was due to the merger of the Metropolitan Dayton Educational Cooperative Association (MDECA) and META Solutions. META Solutions was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts while providing an open marketplace where choice is not limited by geography.

The governing board of META Solutions consists of a thirteen-person Board of Directors, with each of the directors elected by a majority vote of all members within each county in META Solutions membership. During fiscal year 2023, the District paid $69,515 to META Solutions. Financial information can be obtained from Ashley Widby, who serves as Chief Financial Officer, at 100 Executive Drive, Marion, Ohio 43302.

18. Related Organization

The Tipp City Public Library (the Library) is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the District's Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. During fiscal year 2023, the District paid $2,000 to this organization. Financial information can be obtained from the Tipp City Public Library, Fiscal Officer, 11 East Main Street, Tipp City, Ohio 45371.

19. Tax Abatements

During fiscal year 2023, the District's property tax revenues were reduced by $661,826 under ten Community Reinvestment Area (CRA) agreements which were entered into by the City of Tipp City.

Under Ohio Revised Code (ORC) Sections 3735 and 5709, municipalities may offer a property tax incentive to an individual or entity for improvements within certain targeted areas. The CRA program abates 100 percent of the additional property tax resulting from the increase in assessed value as a result of the improvements, which are administered as a reduction in the property tax bill. Commercial and industrial project abatements may not exceed 15 years for CRAs.

The District and the City of Tipp City, in accordance with ORC Section 5709.82, have entered into agreements for payments in lieu of taxes when new income tax collections exceed $1 million for a project granted a CRA abatement. Under these agreements, the City reimburses the District 50 percent of the municipal income tax revenue derived from the new investment in the community less an amount up to 35 percent of the capital infrastructure improvement costs paid by the City for the project. During fiscal year 2023, the District received $344,658 from the City under these revenue sharing agreements.

20. COVID-19 Pandemic

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

21. Change in Accounting Policies

For the fiscal year ended June 30, 2023, the District 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*, and GASB Statement No. 99, *Omnibus 2022*.

GASB Statement No. 91 clarifies the definition of conduit debt and provides a single method of reporting these obligations (disclosure only). This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures.

21. Change in Accounting Policies (continued)

GASB Statement No. 94 addresses the gap in current accounting guidance related to public-private and public-public partnerships (both referred to as PPPs) that do not meet the definition of a service concession arrangement.

GASB Statement No. 96 addresses accounting and financial reporting for subscription-based information technology arrangements (SBITAs), a type of information technology (IT) arrangement (i.e. software licensing). This Statement also defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding subscription liability, provides capitalization criteria, and requires footnote disclosure. The standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

GASB Statement No. 99 addresses a variety of topics to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees.

The District determined that any contracts covered by GASB Statement No. 96 were insignificant and therefore were not incorporated into these financial statements. The implementation of GASB Statements No. 91, 94 and 99 did not have an effect on the District's financial statements.

22. Subsequent Events

In August 2023, new individuals were appointed to fill the District's Superintendent and Treasurer positions.

Effective October 1, 2023, the District ceased its own self-insured health benefits program and joined the Southwestern Ohio EPC Self-Insured Health Insurance Pool (shared risk pool) to provide employee health benefits. Monthly premiums are paid to the Southwestern Ohio EPC Self-Insured Health Insurance Pool with the risk being transferred to the pool. The District will continue to pay run-out claims from its own self-insured program as they are presented.

On November 7, 2023 the community approved the renewal of the 2017 Emergency Levy for an additional seven (7) year period. This levy was set to expire on December 31, 2024 but is now been extended to December 31, 2031 and generates approximately $5.6 million in operating funds for the District annually.

Required Supplementary Information

TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT

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

Measurement Date Fiscal Year (1)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.090485%	$5,380,583	$2,746,084	195.94%	65.52%
2015	0.090485%	4,579,394	2,655,866	172.43%	71.70%
2016	0.090727%	5,176,971	2,901,290	178.44%	69.16%
2017	0.091584%	6,703,117	2,844,264	235.67%	62.98%
2018	0.090817%	5,426,115	2,977,229	182.25%	69.50%
2019	0.099930%	5,723,187	3,271,696	174.93%	71.36%
2020	0.099981%	5,982,038	3,429,911	174.41%	70.85%
2021	0.098830%	6,536,828	3,464,764	188.67%	68.55%
2022	0.100999%	3,726,565	3,486,221	106.89%	82.86%
2023	0.104546%	5,654,671	3,905,393	144.79%	75.82%

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	$ 368,103	$ (368,103)	$ -	$ 2,655,866	13.86%
2015	382,390	(382,390)	-	2,901,290	13.18%
2016	398,197	(398,197)	-	2,844,264	14.00%
2017	416,812	(416,812)	-	2,977,229	14.00%
2018	441,679	(441,679)	-	3,271,696	13.50%
2019	463,038	(463,038)	-	3,429,911	13.50%
2020	485,067	(485,067)	-	3,464,764	14.00%
2021	488,071	(488,071)	-	3,486,221	14.00%
2022	546,755	(546,755)	-	3,905,393	14.00%
2023	596,416	(596,416)	-	4,260,114	14.00%

See Notes to Required Supplementary Information.

TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT

Required Supplementary Information
Schedules of District's Proportionate Share of the Net Pension Liability
and District Pension Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

Measurement Date Fiscal Year (1)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.100056%	$28,990,260	$ 10,509,254	275.85%	69.30%
2015	0.100056%	24,337,155	11,009,377	221.06%	74.70%
2016	0.098810%	27,308,302	10,309,207	264.89%	72.09%
2017	0.099034%	33,149,792	10,420,321	318.13%	66.78%
2018	0.099266%	23,580,839	10,913,071	216.08%	75.30%
2019	0.101203%	22,252,376	11,505,129	193.41%	77.30%
2020	0.102910%	22,757,987	12,082,064	188.36%	77.40%
2021	0.104909%	25,384,356	12,660,929	200.49%	75.50%
2022	0.106333%	13,595,644	13,120,807	103.62%	87.80%
2023	0.105514%	23,455,868	13,717,307	170.99%	78.90%

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	$ 1,431,219	$ (1,431,219)	$ -	$ 11,009,377	13.00%
2015	1,443,289	(1,443,289)	-	10,309,207	14.00%
2016	1,458,845	(1,458,845)	-	10,420,321	14.00%
2017	1,527,830	(1,527,830)	-	10,913,071	14.00%
2018	1,610,718	(1,610,718)	-	11,505,129	14.00%
2019	1,691,489	(1,691,489)	-	12,082,064	14.00%
2020	1,772,530	(1,772,530)	-	12,660,929	14.00%
2021	1,836,913	(1,836,913)	-	13,120,807	14.00%
2022	1,920,423	(1,920,423)	-	13,717,307	14.00%
2023	1,968,179	(1,968,179)	-	14,058,421	14.00%

See Notes to Required Supplementary Information.

TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT

Required Supplementary Information
Schedules of District's Proportionate Share of the Net OPEB Liability
and District OPEB Contributions
School Employees Retirement System of Ohio
Last Seven Fiscal Years

Measurement Date Fiscal Year (1)(2)	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.092861%	$2,646,889	$2,844,264	93.06%	11.49%
2018	0.092123%	2,472,334	2,977,229	83.04%	12.46%
2019	0.101337%	2,811,357	3,271,696	85.93%	13.57%
2020	0.102621%	2,580,707	3,429,911	75.24%	15.57%
2021	0.101437%	2,204,566	3,464,764	63.63%	18.17%
2022	0.104258%	1,973,161	3,486,221	56.60%	24.08%
2023	0.107161%	1,504,547	3,905,393	38.52%	30.34%

(1) Information prior to 2017 is not available. The District will continue to present information for years available until a full ten-year trend is compiled.

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

Fiscal Year (3)	Contractually Required Contributions (4)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$47,204	$ (47,204)	$ -	$ 2,844,264	1.66%
2017	50,045	(50,045)	-	2,977,229	1.68%
2018	70,946	(70,946)	-	3,271,696	2.17%
2019	80,538	(80,538)	-	3,429,911	2.35%
2020	59,876	(59,876)	-	3,464,764	1.73%
2021	67,505	(67,505)	-	3,486,221	1.94%
2022	71,318	(71,318)	-	3,905,393	1.83%
2023	81,297	(81,297)	-	4,260,114	1.91%

(3) The District elected not to present information prior to 2016. The District will continue to present information for years available until a full ten-year trend is compiled.

(4) Includes Surcharge.

See Notes to Required Supplementary Information.

TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT

Required Supplementary Information
Schedules of District's Proportionate Share of the Net OPEB Liability/(Asset)
and District OPEB Contributions
State Teachers Retirement System of Ohio
Last Seven Fiscal Years

Measurement Date Fiscal Year (1)(2)	District's Proportion of the Net OPEB Liability/ Asset	District's Proportionate Share of the Net OPEB Liability/ (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.099497%	$5,296,384	$ 10,420,321	50.83%	37.3%
2018	0.099266%	3,872,991	10,913,071	35.49%	47.1%
2019	0.101203%	(1,626,237)	11,505,129	(14.13%)	176.0%
2020	0.102910%	(1,704,441)	12,082,064	(14.11%)	174.7%
2021	0.104909%	(1,843,781)	12,660,929	(14.56%)	182.1%
2022	0.106333%	(2,241,947)	13,120,807	(17.09%)	174.7%
2023	0.105514%	(2,732,106)	13,717,307	(19.92%)	230.7%

(1) Information prior to 2017 is not available. The District will continue to present information for years available until a full ten-year trend is compiled.

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

Fiscal Year (3)	Contractually Required Contributions (4)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ -	$ -	$ -	$ 10,420,321	0.00%
2017	-	-	-	10,913,071	0.00%
2018	-	-	-	11,505,129	0.00%
2019	-	-	-	12,082,064	0.00%
2020	-	-	-	12,660,929	0.00%
2021	-	-	-	13,120,807	0.00%
2022	-	-	-	13,717,307	0.00%
2023	-	-	-	14,058,421	0.00%

(3) The School District elected not to present information prior to 2016. The School District will continue to present information for years available until a full ten-year trend is compiled.

(4) STRS allocated the entire 14% employer contribution rate towards pension benefits.

See Notes to Required Supplementary Information.

Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

A. Pension Plans:

School Employees Retirement System of Ohio:

Change in assumptions. In 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2015. Significant changes included a reduction of the discount rate from 7.75% to 7.50%, a reduction in the wage inflation rate from 3.25% to 3.00%, a reduction in the payroll growth assumption used from 4.00% to 3.50%, reduction in the assumed real wage growth rate from 0.75% to 0.50%, update of the rates of withdrawal, retirement and disability to reflect recent experience, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables for active members and service retired members and beneficiaries.

In measurement year 2021, changes in assumptions were made based upon the latest actuarial valuation. Significant changes included reduction of the discount rate from 7.5% to 7%, a reduction in the rate of inflation from 3% to 2.4%, an increase in the real wage growth from 0.5% to 0.85%, a reduction in COLA from 2.5% to 2%, rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement year 2022, the cost-of-living adjustments was increased from 2.00% to 2.50%.

Change in benefit and funding terms. In measurement year 2018, post-retirement increases in benefits included the following changes: 1) members, or their survivors, retiring prior to January 1, 2018, receive a COLA increase of 3.0% of their base benefit on the anniversary of their initial date of retirement; 2) members, or their survivors, retiring on and after January 1, 2018, receive a COLA increase on each anniversary of their initial date of retirement equal to the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0%, nor greater than 2.5%. COLAs are suspended for calendar years 2018, 2019 and 2020; 3) members, or their survivors, retiring on or after April 1, 2018, will have their COLA delayed for three years following their initial date of retirement.

State Teachers Retirement System of Ohio:

Change in assumptions. In 2018, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2016. Significant changes included a reduction of the discount rate from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0/25% due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

For measurement period 2021, the discount rate was adjusted to 7.00% from 7.45%.

A. Pension Plans: (continued)

Change in assumptions (continued). For measurement year 2022, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

Change in benefit and funding terms. Effective July 1, 2017, the COLA was reduced to zero.

B. Other Postemployment Benefit (OPEB) Plans:

School Employees Retirement System of Ohio:

Change in assumptions. In measurement year 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2015. Significant changes included a reduction in the rate of inflation from 3.25% to 3.00%, a reduction in the payroll growth assumption from 4.00% to 3.50%, a reduction in assumed real wage growth from 0.75% to 0.50%, an update in rates of withdrawal, retirement and disability, and transitioning to the following mortality tables: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age setback for both active male and female members; RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB (120% of male rates, and 110% of female rates) for service retired members and beneficiaries; and 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 among disabled members.

In measurement year 2018, medical trend rates have been adjusted to reflect premium decreases.

In measurement year 2021, changes in assumptions were made based upon an updated actuarial valuation. Significant changes included a reduction in the inflation rate from 3% to 2.4%, a reduction in the payroll growth assumption from 3.5% to 1.75%, an increase is real wage growth from 0.5% to 0.85%, rates of withdrawal, retirement, and disability were updated to reflect recent experience, rates of health care participation for future retirees and spouses was updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated. The discount rate was adjusted to 7.00% from 7.45%.

In measurement year 2022, the single equivalent interest rate was increased from 2.27% to 4.08% and the health care trend rates were updated.

Change in benefit and funding terms. In measurement year 2018, SERS' funding policy allowed a 2.0% health care contribution rate to be allocated to the Health Care Fund. The 2.0% is a combination of 0.5% employer contributions and 1.5% surcharge.

B. <u>Other Postemployment Benefit (OPEB) Plans:</u> (continued)

State Teachers Retirement System of Ohio:

Change in assumption. For measurement year 2017, 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)*, and the long-term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

For measurement year 2018, 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. Valuation year per capital health care costs were updated.

For measurement year 2021, the discount rate was adjusted to 7.00% from 7.45%.

For measurement year 2022, health care trends were updated to reflect emerging claims and recoveries experience.

Change in benefit and funding terms. For measurement year 2017, the subsidy multiplier for non-Medicare benefit recipients was reduced 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 measurement year 2018, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For measurement year 2019, there was no change to the claims costs process. Claims curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

B. <u>Other Postemployment Benefit (OPEB) Plans:</u> (continued)

For measurement year 2020, there was no change to the claims costs process. Claims curves were trended to the fiscal year ending June 30, 2021 to reflect the current price renewals. 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 measurement year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.10% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For measurement year 2022, 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.

TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Assistance Listing Number**	**Expenditures**	**Non-Cash Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education			
Child Nutrition Cluster:			
National School Lunch Program	10.555	$350,794	$68,503
COVID-19 National School Lunch Program	10.555	63,867	
Total Child Nutrition Cluster		414,661	68,503
COVID-19 Pandemic EBT Administrative Costs	10.649	628	
Total U.S. Department of Agriculture		**415,289**	**68,503**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Title I Grants to Local Educational Agencies	84.010	189,716	
Special Education Cluster:			
Special Education Grants to States	84.027	534,557	
COVID-19 Special Education Grants to States		23,480	
Total Special Education Grants to States		558,037	
Special Education Preschool Grants	84.173	11,871	
COVID-19 Special Education Preschool Grants		92	
Total Special Education Preschool Grants		11,963	
Total Special Education Cluster		570,000	
English Language Acquisition State Grants	84.365	3,249	
Supporting Effective Instruction State Grants	84.367	13,780	
Student Support and Academic Enrichment Program	84.424	13,047	
COVID-19 Education Stabilization Fund	84.425U	580,379	
	84.425W	1,729	
Total COVID-19 Education Stabilization Fund		582,108	
Total U.S. Department of Education		**1,371,900**	
Total Expenditures of Federal Awards		**$1,787,189**	**$68,503**

The accompanying notes are an integral part of this schedule.

TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

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

Program Title	AL Number	Amt. Transferred
Supporting Effective Instruction State Grants	84.367	$10,725

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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(800) 282-0370

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

Tipp City Exempted Village School District
Miami County
90 South Tippecanoe Drive
Tipp City, Ohio 45371

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 Tipp City Exempted Village School District, Miami County, (the District) as of and for the fiscal 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 6, 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 opinion 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 6, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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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

Tipp City Exempted Village School District
Miami County
90 South Tippecanoe Drive
Tipp City, Ohio 45371

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Tipp City Exempted Village School District's, Miami 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 Tipp City Exempted Village School District's major federal programs for the fiscal year ended June 30, 2023. Tipp City Exempted Village 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, Tipp City Exempted Village School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal 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 6, 2024

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TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI 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):**	COVID-19 Education Stabilization Fund (AL #84.425U, 84.425W) Special Education Cluster
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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District Administration

Aaron Moran
Superintendent

David Stevens
Treasurer

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

Finding Number	Finding Summary	Status	Additional Information
2022-001	Material Weakness – Various adjusted financial statement errors.	Partially corrected	Errors identified in the prior audit were mostly corrected; however, limited adjusted financial statement errors were identified in the current audit. These errors have been identified in the current management letter.

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OHIO AUDITOR OF STATE
KEITH FABER

TIPP CITY EXEMPTED VILLAGE SCHOOL DISTRICT

MIAMI COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/28/2024

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