WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

Rea & associates

www.reacpa.com

OHIO AUDITOR OF STATE
KEITH FABER

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

Board of Education
Warren City School District
105 High St.
Warren, OH 44481

We have reviewed the *Independent Auditor's Report* of the Warren City School District, Trumbull County, prepared by Rea & Associates, Inc., for the audit period July 1, 2023 through June 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

March 06, 2024

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Independent Auditor's Report

To the Board of Education
Warren City School District
Trumbull County, Ohio
105 High Street North East
Warren, OH 44481

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, 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 and ESSER funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, and pension and other post-employment benefit schedules,* as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The *Schedule of Expenditures of Federal Awards,* as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the *Schedule of Expenditures of Federal Awards* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
New Philadelphia, Ohio
December 28, 2023

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

Financial Highlights

Key financial highlights for 2023 are as follows:

- The District's net position of governmental activities increased $14,983,926 which represents a 14.57% increase over 2022's net position.

- General revenues accounted for $63,725,141 in revenue or 62.70% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $37,911,910 or 37.30% of total revenues of $101,637,051.

- The District had $86,653,125 in expenses related to governmental activities; $37,911,910 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $63,725,141 were adequate to provide for these programs.

- The District's major governmental funds are the general fund, ESSER fund, permanent improvement fund and the building fund. The general fund had $70,190,427 in revenues and other financing sources, and $67,633,993 in expenditures and other financing uses. During fiscal year 2023, the general fund's fund balance increased $2,556,434 from $50,152,862 to $52,709,296.

- The ESSER fund had $13,787,737 in revenues and $14,452,264 in expenditures. During fiscal year 2023, the ESSER fund's fund balance decreased $664,527 from a deficit of $987,368 to a deficit of $1,651,895.

- The permanent improvement fund had $4,138,719 in revenues and other financing sources and $498,117 in expenditures. During fiscal year 2023, the permanent improvement fund's fund balance increased $3,640,602 from $9,813,991 to $13,454,593.

- The building fund had $16,120,920 in revenues and other financing sources and $5,123,386 in expenditures. During fiscal year 2023, the building fund's fund balance increased $10,997,534 from $2,219,654 to $13,217,188.

Using these Basic Financial Statements

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

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund, ESSER fund, permanent improvement fund, and building fund are by far the most significant funds, and the only governmental funds reported as major funds.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

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

These two statements report the District's net position and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, other non-instructional services, and food service operations.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, ESSER fund, permanent improvement fund and building fund.

Governmental Funds

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

Proprietary Funds

The District maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service funds account for self-insurance, warehouse service and parking programs.

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for June 30, 2023 and June 30, 2022.

Net Position

	Governmental Activities 2023	Governmental Activities 2022
Assets		
Current and other assets	$ 133,402,565	$ 115,943,043
Capital assets, net	129,273,016	116,266,920
Total assets	262,675,581	232,209,963
Deferred outflows of resources		
Unamortized deferred charges on debt refunding	230,922	260,613
Pensions	17,401,987	16,937,203
OPEB	1,721,748	2,134,028
Total deferred outflows of resources	19,354,657	19,331,844
Liabilities		
Current liabilities	12,697,983	11,380,230
Long-term liabilities:		
Due within one year	2,399,355	2,186,091
Due in more than one year:		
Net pension liability	71,332,324	43,142,103
Net OPEB liability	4,076,629	5,930,247
Other amounts	39,836,146	25,674,233
Total liabilities	130,342,437	88,312,904
Deferred inflows of resources		
Property taxes levied for next fiscal year	14,890,829	14,973,007
Pensions	8,052,195	35,478,338
OPEB	10,914,656	9,931,363
Total deferred inflows of resources	33,857,680	60,382,708
Net position		
Net investment in capital assets	100,535,517	93,536,068
Restricted	12,820,274	9,560,235
Unrestricted (deficit)	4,474,330	(250,108)
Total net position	$ 117,830,121	$ 102,846,195

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

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2023, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $117,830,121.

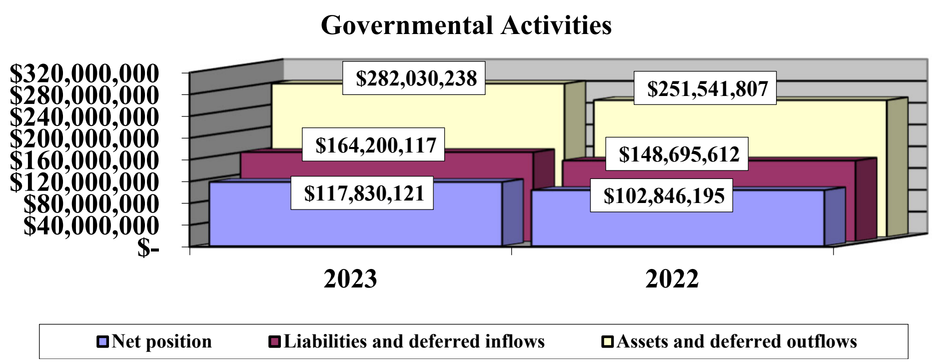
At year-end, capital assets represented 49.21% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, intangible right to use equipment and vehicles. The net investment in capital assets at June 30, 2023, was $100,535,517. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, $12,820,274, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position was a balance of $4,474,330.

The net pension liability increased $28,190,221 and deferred inflows of resources related to pension decreased $27,426,140. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Primarily, net investment income on investments at both pension systems were negative for the fiscal year 2022 measurement date that are used for the fiscal year 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous fiscal year's large positive investment returns.

This District issued $16,000,000 in certificates of participation during fiscal year 2023. This is the reason for the increase in current assets and other long-term liabilities. The District is using the proceeds from this issue to partially finance the construction of the recreation and wellness center.

The graph below illustrates the District's governmental activities assets plus deferred outflows, liabilities plus deferred inflows and net position at June 30, 2023 and 2022.



The table below shows the changes in net position for governmental activities between 2023 and 2022.

	Governmental Activities	
	2023	2022
Revenues		
Program revenues:		
Charges for services and sales	$ 1,752,527	$ 1,425,213
Operating grants and contributions	35,666,319	31,690,094
Capital grants and contributions	493,064	-
General revenues:		
Property taxes	14,683,784	15,234,938
Grants and entitlements	48,521,579	46,622,632
Investment earnings	167,662	(2,300,632)
Miscellaneous	352,116	100,741
Total revenues	$ 101,637,051	$ 92,772,986

- Continued

	Governmental Activities	
	2023	2022
Expenses		
Program expenses:		
Instruction:		
Regular	$ 26,367,893	$ 25,668,980
Special	15,808,325	12,980,055
Vocational	201,983	173,163
Other	561,839	173,265
Support services:		
Pupil	6,194,762	5,325,165
Instructional staff	3,929,671	3,354,664
Board of education	49,303	40,004
Administration	5,657,075	6,293,189
Fiscal	1,380,601	1,310,340
Business	1,032,018	910,867
Operations and maintenance	9,746,609	9,442,539
Pupil transportation	5,300,063	3,427,314
Central	1,545,512	1,323,771
Operation of non-instructional services:		
Food service operations	5,528,010	5,009,826
Other non-instructional services	555,009	560,898
Extracurricular activities	1,665,658	1,299,513
Interest and fiscal charges	1,128,794	675,214
Total expenses	86,653,125	77,968,767
Changes in net position	14,983,926	14,804,219
Net position at beginning of year	102,846,195	88,041,976
Net position at end of year	$ 117,830,121	$ 102,846,195

Governmental Activities

Net position of the District's governmental activities increased $14,983,926. Total governmental expenses of $86,653,125 were offset by program revenues of $37,911,910 and general revenues of $63,725,141. Program revenues supported 43.75% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements. These revenue sources represent 62.19% of total governmental revenue.

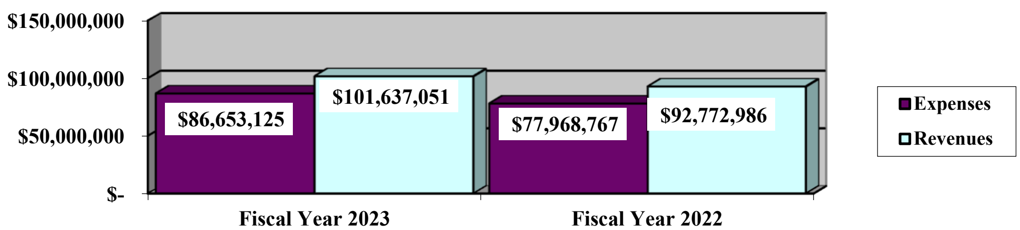
Overall, expenses of the governmental activities increased $8,684,358. This increase is primarily the result of an increase in pension expense. Pension expense increased approximately $7,695,083. This increase was the result of an increase in expenses incurred at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) due to a decrease in net investment income on investments compared to previous years.

Investment earnings increased due to an increase in interest rates on the District's investments.

The largest expense of the District is for instructional programs. Instruction expenses totaled $42,940,040 or 49.55% of total governmental expenses for fiscal 2023.

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

Governmental Activities - Revenues and Expenses



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

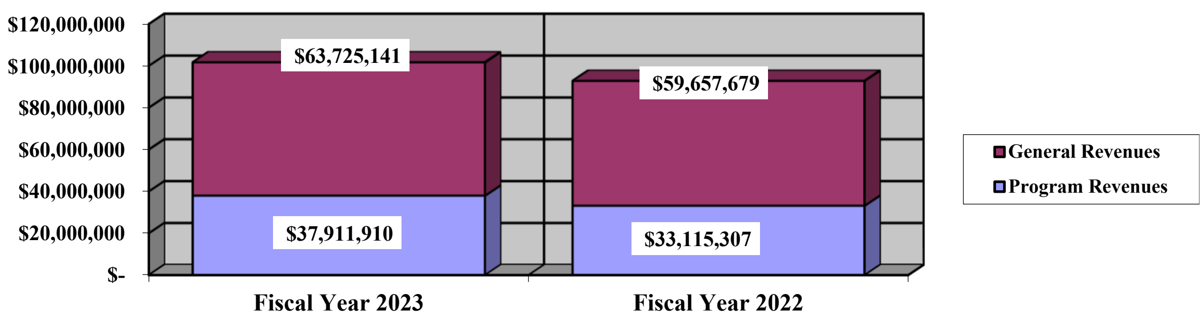
Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program expenses				
Instruction:				
Regular	$ 26,367,893	$ 24,053,018	$ 25,668,980	$ 18,148,401
Special	15,808,325	5,999,015	12,980,055	3,046,113
Vocational	201,983	101,945	173,163	106,928
Other	561,839	558,480	173,265	137,502
Support services:				
Pupil	6,194,762	4,403,905	5,325,165	3,698,828
Instructional staff	3,929,671	1,845,002	3,354,664	1,038,873
Board of education	49,303	49,303	40,004	40,004
Administration	5,657,075	4,670,141	6,293,189	5,279,447
Fiscal	1,380,601	841,453	1,310,340	663,206
Business	1,032,018	1,032,018	910,867	910,867
Operations and maintenance	9,746,609	(1,764,201)	9,442,539	7,260,041
Pupil transportation	5,300,063	3,024,777	3,427,314	1,934,295
Central	1,545,512	1,528,074	1,323,771	1,305,016
Operations of non-instructional services:				
Food service operations	5,528,010	(115,562)	5,009,826	(432,918)
Other non-instructional services	555,009	27,088	560,898	(21,861)
Extracurricular activities	1,665,658	1,357,965	1,299,513	1,063,504
Interest and fiscal charges	1,128,794	1,128,794	675,214	675,214
Total expenses	$ 86,653,125	$ 48,741,215	$ 77,968,767	$ 44,853,460

The dependence upon tax and other general revenues for governmental activities is apparent, as 71.52% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 56.25%. The District's taxpayers and unrestricted grants and entitlements from the State are by far the primary support for District's students.

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

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of $83,654,610, which is greater than last year's total of $67,964,213. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2023 and 2022.

	Fund Balance (deficit) June 30, 2023	Fund Balance (deficit) June 30, 2022	Increase (Decrease)	Percentage Change
Major fund:				
General	$ 52,709,296	$ 50,152,862	$ 2,556,434	5.10 %
ESSER	(1,651,895)	(987,368)	(664,527)	67.30 %
Permanent improvement	13,454,593	9,813,991	3,640,602	37.10 %
Building	13,217,188	2,219,654	10,997,534	495.46 %
Other governmental	5,925,128	6,765,074	(839,946)	(12.42) %
Total	$ 83,654,310	$ 67,964,213	$ 15,690,097	23.09 %

General Fund

In fiscal year 2023, the District's general fund reported an increase in both revenue and expenditures. The most significant increase was in intergovernmental revenues. This was due to an increase in State Foundation funding for the fiscal year. Earnings on investments still reported a negative return in fiscal year 2023, however the negative amount was much less than in fiscal year 2022. This was due to the increase in interest rates.

The District's general fund expenditures increased because the District returned to paying some wages and benefits from the general fund that were paid from the ESSER fund in fiscal year 2022. Also, the District saw customary wage and benefit increases and also had to contend with inflation. The majority of the remaining ESSER funding is being used to partially finance the construction of the recreation and wellness center.

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

	2023 Amount	2022 Amount	Increase (Decrease)	Percentage Change
Revenues				
Taxes	$ 13,429,963	$ 13,305,018	$ 124,945	0.94 %
Tuition and fees	772,395	685,404	86,991	12.69 %
Earnings on investments	(66,206)	(2,316,213)	2,250,007	(97.14) %
Intergovernmental	55,241,997	52,362,994	2,879,003	5.50 %
Other revenues	638,240	513,258	124,982	24.35 %
Total	$ 70,016,389	$ 64,550,461	$ 5,465,928	8.47 %
Expenditures				
Instruction	$ 35,007,441	$ 29,143,412	$ 5,864,029	20.12 %
Support services	27,102,509	25,432,611	1,669,898	6.57 %
Non-instructional services	10,727	8,238	2,489	30.21 %
Extracurricular activities	1,259,196	1,076,871	182,325	16.93 %
Debt service	177,000	178,801	(1,801)	(1.01) %
Total	$ 63,556,873	$ 55,839,933	$ 7,716,940	13.82 %

ESSER Fund

The ESSER fund had $13,787,737 in revenues and $14,452,264 in expenditures. During fiscal year 2023, the ESSER fund's fund balance decreased $664,527 from a deficit of $987,368 to a deficit of $1,651,895. The ESSER fund is part of the CARES Act, CRRSAA and ARPA, which is to provide relief due to the COVID-19 pandemic. The District may use ESSER funds for many purposes including, but not limited to, training and professional development for staff, planning and coordination during long-term closure, and purchasing technology for students. The District is using a significant portion of its remaining ESSER funding to partially finance the construction of the recreation and wellness center.

Permanent Improvement Fund

The permanent improvement fund had $4,138,719 in revenues and other financing sources and $498,117 in expenditures. During fiscal year 2023, the permanent improvement fund's fund balance increased $3,640,602 from $9,813,991 to $13,454,593. The District has transferred over $13.5 million from the general fund to the permanent improvement fund since fiscal year 2016. The District will use these funds for a variety of capital improvement projects.

Building Fund

The building fund had $16,120,920 in revenues and other financing sources and $5,123,386 in expenditures. During fiscal year 2023, the building fund's fund balance increased $10,997,534 from $2,219,654 to $13,217,188. The District issued $16,000,000 in certificates of participation during fiscal year 2023 to partially finance the construction of the recreation and wellness center. That activity is accounted for in this fund along with other capital improvement projects.

General Fund Budgeting Highlights

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

During the course of fiscal 2023, the District amended its general fund budget several times. For the general fund, original budgeted revenues and financing sources were $66,986,436 and final budgeted revenues and other financing sources were $68,709,485. The majority of the increase in estimated revenues was due to an increase of state intergovernmental revenue. Actual revenues and other financing sources for fiscal 2023 were $71,177,715. This represents a $2,468,230 increase from final budgeted revenues.

General fund original appropriations (appropriated expenditures including other financing uses) of $73,451,240 were increased to $74,858,614 in the final appropriations. The actual budget basis expenditures and other financing uses for fiscal year 2023 totaled $71,168,426 which was $3,690,188 less than the final budget appropriations. The variances were primarily caused by conservative budgeting.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2023, the District had $129,273,016 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, intangible right to use equipment and vehicles. This entire amount is reported in governmental activities. The following table shows fiscal 2023 balances compared to 2022:

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

	Governmental Activities	
	2023	2022
Land	$ 7,992,970	$ 7,992,970
Construction in progress	15,233,014	401,825
Land improvements	2,054,352	2,069,422
Building and improvements	99,028,882	101,687,185
Furniture and equipment	2,902,525	2,124,592
Intangible right to use equipment	476,916	640,430
Vehicles	1,584,357	1,350,496
Total	$ 129,273,016	$ 116,266,920

The overall increase in capital assets of $13,006,096 is due to capital outlays of $16,787,545 exceeding depreciation and amortization expense of $3,774,913 and due to capital asset disposals of $6,536 (net of accumulated depreciation/amortization).

See Note 8 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

At June 30, 2023, the District had $20,250,000 in general obligation bonds, $16,000,000 in certificates of participation, $491,322 in a lease payable and $232,000 in tax anticipation notes outstanding. Of this total, $1,894,113 is due within one year and $35,079,209 is due in greater than one year. The following table summarizes the debt outstanding.

Outstanding Debt, at Year End

	Governmental Activities 2023	Governmental Activities 2022
General obligation bonds	$ 20,250,000	$ 21,715,000
Certificates of participation	16,000,000	-
Lease payable	491,322	649,101
Tax anticipation notes	232,000	306,000
Total	$ 36,973,322	$ 22,670,101

At June 30, 2023, the District had a voted debt margin of $9,351,632 and an unvoted debt margin of $315,017.

See Note 9 to the basic financial statements for additional information on the District's debt administration.

Current Related Financial Activities

Overall, the District remains financially strong. As the preceding information shows, the District depends upon local property taxes, primarily residential class property. The increase in State funding revenue, along with the District's cash balance, will provide the District with the necessary funds to meet its operating expenses in fiscal year 2023. However, the future financial stability of the District is not without challenges as we are heavily dependent on a funding formula that places emphasis on economically disadvantaged districts.

The District currently has a sufficient cash balance to meet operating expenses through fiscal year 2027 (based upon the most recent 5 Year Forecast submitted in May 2023). The District continues its plan to control spending for the future by keeping a watchful eye on the enrollment and staffing levels.

The public schools in Ohio also face the challenges of meeting many unfunded mandates by both the State and Federal government. Examples are the Educational Management Information System (State) and ESSA (Federal) compliance.

The District has carefully managed its general fund budget in order to optimize the dollars available for educating the students it serves and to minimize the levy millage amounts needed periodically from the community. Sound fiscal management by the Board and Administration has enabled the District to maintain, and grow, its cash balance over the last eight fiscal years.

The District's voters renewed an emergency levy in the November 5, 2016 election for a period of 10 years. In recent fiscal years the Board and Administration have carefully managed the budget to minimize the need for any potential additional levy requests from the community. The District will continue to monitor and cut costs where possible to sustain operations within the current levy structures.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Karen Sciortino, Treasurer, Warren City School District, 105 High Street, Warren, Ohio 44481.

WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
Assets:	
Equity in pooled cash and investments	$ 95,791,931
Receivables:	
Property taxes	20,736,387
Accounts	344,207
Accrued interest	362,448
Intergovernmental	9,305,447
Prepayments	122,918
Materials and supplies inventory	100,088
Inventory held for resale	117,471
Net OPEB asset	6,521,668
Capital assets:	
Nondepreciable capital assets	23,225,984
Depreciable capital assets, net	106,047,032
Capital assets, net	129,273,016
Total assets	262,675,581
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	230,922
Pension	17,401,987
OPEB	1,721,748
Total deferred outflows of resources	19,354,657
Liabilities:	
Accounts payable	1,772,354
Contracts payable	2,113,388
Retainage payable	706,754
Accrued wages and benefits	5,892,402
Intergovernmental payable	213,184
Pension obligation payable	1,078,002
Accrued interest payable	203,058
Claims payable	718,841
Long-term liabilities:	
Due within one year	2,399,355
Due in more than one year:	
Net pension liability	71,332,324
Net OPEB liability	4,076,629
Other amounts due in more than one year	39,836,146
Total liabilities	130,342,437
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	14,890,829
Pension	8,052,195
OPEB	10,914,656
Total deferred inflows of resources	33,857,680
Net position:	
Net investment in capital assets	100,535,517
Restricted for:	
Capital projects	2,087,644
OPEB plan	1,424,006
Classroom facilities maintenance	2,238,370
Debt service	1,755,403
State funded programs	81,470
Federally funded programs	1,406,592
Food service operations	3,699,408
Extracurricular	81,311
Other purposes	46,070
Unrestricted	4,474,330
Total net position	$ 117,830,121

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

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

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction:					
Regular	$ 26,367,893	$ 391,329	$ 1,923,546	$ -	$ (24,053,018)
Special	15,808,325	290,568	9,518,742	-	(5,999,015)
Vocational	201,983	-	100,038	-	(101,945)
Other	561,839	1,375	1,984	-	(558,480)
Support services:					
Pupil	6,194,762	-	1,790,857	-	(4,403,905)
Instructional staff	3,929,671	-	2,084,669	-	(1,845,002)
Board of education	49,303	-	-	-	(49,303)
Administration	5,657,075	-	986,934	-	(4,670,141)
Fiscal	1,380,601	290,182	248,966	-	(841,453)
Business	1,032,018	-	-	-	(1,032,018)
Operations and maintenance	9,746,609	26,220	10,991,526	493,064	1,764,201
Pupil transportation	5,300,063	89,122	2,186,164	-	(3,024,777)
Central	1,545,512	-	17,438	-	(1,528,074)
Operation of non-instructional services:					
Food service operations	5,528,010	338,100	5,305,472	-	115,562
Other non-instructional services	555,009	17,938	509,983	-	(27,088)
Extracurricular activities	1,665,658	307,693	-	-	(1,357,965)
Interest and fiscal charges	1,128,794	-	-	-	(1,128,794)
Totals	$ 86,653,125	$ 1,752,527	$ 35,666,319	$ 493,064	(48,741,215)

General revenues:	
Property taxes levied for:	
General purposes	13,019,387
Debt service	1,439,785
Capital outlay	112,160
Classroom facilities maintenance	112,452
Grants and entitlements not restricted to specific programs	48,521,579
Investment earnings	167,662
Miscellaneous	352,116
Total general revenues	63,725,141
Change in net position	14,983,926
Net position at beginning of year	102,846,195
Net position at end of year	$ 117,830,121

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	ESSER	Permanent Improvement	Building
Assets:				
Equity in pooled cash				
and investments	$ 53,430,897	$ -	$ 13,384,080	$ 14,610,517
Receivables:				
Property taxes	18,314,247	-	162,692	-
Accounts	730	-	295,848	-
Accrued interest	362,448	-	-	-
Interfund loans	61,327	-	-	-
Intergovernmental	620,253	4,576,091	-	-
Prepayments	122,918	-	-	-
Materials and supplies inventory	-	-	-	-
Inventory held for resale	-	-	-	-
Due from other funds	5,163,752	-	-	-
Total assets	$ 78,076,572	$ 4,576,091	$ 13,842,620	$ 14,610,517
Liabilities:				
Accounts payable	$ 1,048,761	$ 328,247	$ -	$ -
Contracts payable	-	692,632	118,091	1,302,665
Retainage payable	-	507,003	109,087	90,664
Accrued wages and benefits	4,880,757	98,390	-	-
Compensated absences payable	122,565	-	-	-
Intergovernmental payable	201,826	1,229	-	-
Pension obligation payable	856,939	24,394	-	-
Interfund loans payable	-	-	-	-
Due to other funds	-	2,924,196	-	-
Total liabilities	7,110,848	4,576,091	227,178	1,393,329
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	13,151,486	-	116,830	-
Delinquent property tax revenue not available	4,955,247	-	44,019	-
Intergovernmental revenue not available	-	1,651,895	-	-
Accrued interest not available	149,695	-	-	-
Total deferred inflows of resources	18,256,428	1,651,895	160,849	-
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	-	-
Prepaids	122,918	-	-	-
Restricted:				
Debt service	-	-	-	-
Capital improvements	-	-	-	13,217,188
Classroom facilities maintenance	-	-	-	-
Food service operations	-	-	-	-
Non-public schools	-	-	-	-
State funded programs	-	-	-	-
Federally funded programs	-	-	-	-
Extracurricular	-	-	-	-
Other purposes	-	-	-	-
Committed:				
Other purposes	11,000	-	-	-
Assigned:				
Student instruction	213,820	-	-	-
Student and staff support	1,998,688	-	-	-
Extracurricular activities	3,984	-	-	-
Subsequent year's appropriations	632,028	-	-	-
BWC payments	167,387	-	-	-
Capital improvements	-	-	13,454,593	-
Other purposes	143,947	-	-	-
Unassigned (deficit)	49,415,524	(1,651,895)	-	-
Total fund balances (deficit)	52,709,296	(1,651,895)	13,454,593	13,217,188
Total liabilities, deferred inflows and fund balances	$ 78,076,572	$ 4,576,091	$ 13,842,620	$ 14,610,517

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Nonmajor Governmental Funds	Total Governmental Funds
$ 7,125,917	$ 88,551,411
2,259,448	20,736,387
-	296,578
-	362,448
-	61,327
4,109,103	9,305,447
-	122,918
100,088	100,088
117,471	117,471
-	5,163,752
$ 13,712,027	$ 124,817,827
$ 395,346	$ 1,772,354
-	2,113,388
-	706,754
913,255	5,892,402
-	122,565
10,129	213,184
196,669	1,078,002
61,327	61,327
2,239,556	5,163,752
3,816,282	17,123,728
1,622,513	14,890,829
611,334	5,610,600
1,736,770	3,388,665
-	149,695
3,970,617	24,039,789
100,088	100,088
-	122,918
1,250,061	1,250,061
-	13,217,188
2,213,559	2,213,559
3,665,447	3,665,447
41,702	41,702
54,042	54,042
30,724	30,724
83,430	83,430
43,951	43,951
-	11,000
-	213,820
-	1,998,688
-	3,984
-	632,028
-	167,387
-	13,454,593
-	143,947
(1,557,876)	46,205,753
5,925,128	83,654,310
$ 13,712,027	$ 124,817,827

WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

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

Total governmental fund balances		$ 83,654,310
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		129,273,016
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 5,610,600	
Accrued interest receivable	149,695	
Intergovernmental receivable	3,388,665	
Total		9,148,960
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		6,569,308
Unamortized premiums on bonds issued are not recognized in the funds.		(1,697,831)
Unamortized amounts on refundings are not recognized in the funds.		230,922
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(203,058)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	17,401,987	
Deferred inflows - pension	(8,052,195)	
Net pension liability	(71,332,324)	
Deferred outflows - OPEB	1,721,748	
Deferred inflows - OPEB	(10,914,656)	
Net OPEB asset	6,521,668	
Net OPEB liability	(4,076,629)	
Total		(68,730,401)
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	(20,250,000)	
Certificates of participation	(16,000,000)	
Lease payable	(491,322)	
Compensated absences	(3,441,783)	
Tax anticipation note	(232,000)	
Total		(40,415,105)
Net position of governmental activities		$ 117,830,121

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

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

	General	ESSER	Permanent Improvement	Building
Revenues:				
Property taxes	$ 13,429,963	$ -	$ 119,742	$ -
Intergovernmental	55,241,997	13,787,737	18,887	-
Investment earnings	(66,206)	-	-	120,920
Tuition and fees	772,395	-	-	-
Extracurricular	-	-	-	-
Rental income	26,220	-	-	-
Charges for services	290,182	-	-	-
Contributions and donations	1,825	-	-	-
Miscellaneous	320,013	-	90	-
Total revenues	70,016,389	13,787,737	138,719	120,920
Expenditures:				
Current:				
Instruction:				
Regular	23,452,379	1,652,859	-	-
Special	10,835,977	4,120	-	-
Vocational	161,119	-	-	-
Other	557,966	1,984	-	-
Support services:				
Pupil	5,137,412	150,065	-	-
Instructional staff	1,527,561	147,362	-	-
Board of education	49,708	-	-	-
Administration	4,436,298	430,511	-	-
Fiscal	1,057,802	132,076	2,887	-
Business	848,213	-	-	-
Operations and maintenance	8,317,797	10,831,667	-	58,500
Pupil transportation	4,246,011	903,375	-	-
Central	1,481,707	17,438	-	-
Operation of non-instructional services:				
Food service operations	-	176,143	-	-
Other non-instructional services	10,727	4,664	-	-
Extracurricular activities	1,259,196	-	-	-
Facilities acquisition and construction	-	-	415,177	4,701,515
Debt service:				
Principal retirement	157,779	-	74,000	-
Interest and fiscal charges	19,221	-	6,053	-
Issuance costs	-	-	-	363,371
Total expenditures	63,556,873	14,452,264	498,117	5,123,386
Excess of revenues over (under) expenditures	6,459,516	(664,527)	(359,398)	(5,002,466)
Other financing sources (uses):				
Issuance of certificates of participation	-	-	-	16,000,000
Sale of assets	86,538	-	-	-
Insurance recoveries	87,500	-	-	-
Transfers in	-	-	4,000,000	-
Transfers (out)	(4,077,120)	-	-	-
Total other financing sources (uses)	(3,903,082)	-	4,000,000	16,000,000
Net change in fund balances	2,556,434	(664,527)	3,640,602	10,997,534
Fund balances (deficit) at beginning of year	50,152,862	(987,368)	9,813,991	2,219,654
Change in reserve for inventory	-	-	-	-
Fund balances (deficit) at end of year	$ 52,709,296	$ (1,651,895)	$ 13,454,593	$ 13,217,188

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Nonmajor Governmental Funds	Total Governmental Funds
$ 1,653,384	$ 15,203,089
14,637,419	83,686,040
31,743	86,457
-	772,395
178,426	178,426
-	26,220
342,429	632,611
35,986	37,811
351	320,454
16,879,738	100,943,503
264,046	25,369,284
4,523,514	15,363,611
50,030	211,149
-	559,950
603,214	5,890,691
2,026,784	3,701,707
-	49,708
569,255	5,436,064
159,284	1,352,049
-	848,213
1,000,781	20,208,745
163,147	5,312,533
-	1,499,145
5,455,455	5,631,598
531,369	546,760
259,002	1,518,198
-	5,116,692
1,465,000	1,696,779
785,100	810,374
-	363,371
17,855,981	101,486,621
(976,243)	(543,118)
-	16,000,000
-	86,538
-	87,500
77,120	4,077,120
-	(4,077,120)
77,120	16,174,038
(899,123)	15,630,920
6,765,074	67,964,213
59,177	59,177
$ 5,925,128	$ 83,654,310

WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

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

Net change in fund balances - total governmental funds		$ 15,630,920
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital asset additions	$ 16,787,545	
Current year depreciation/amortization	(3,774,913)	
Total		13,012,632
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(6,536)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		59,177
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(519,305)	
Earnings on investments	112,948	
Intergovernmental	807,729	
Total		401,372
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		1,696,779
Issuance of certificates of participation are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		(16,000,000)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
Increase in accrued interest payable	(136,649)	
Amortization of bond premiums	211,291	
Amortization of deferred charges	(29,691)	
Total		44,951
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	6,400,542	
OPEB	211,706	
Total		6,612,248
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(6,699,836)	
OPEB	1,574,780	
Total		(5,125,056)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds		(265,028)
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		(1,077,533)
Change in net position of governmental activities		$ 14,983,926

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property taxes	$ 13,281,284	$ 13,281,284	$ 13,381,249	$ 99,965
Intergovernmental	52,368,100	53,840,505	55,411,829	1,571,324
Investment earnings	256,000	256,000	836,837	580,837
Tuition and fees	655,152	655,152	658,084	2,932
Rental income	15,000	15,000	26,210	11,210
Charges for services	350,000	350,000	244,168	(105,832)
Contributions and donations	-	-	500	500
Miscellaneous	53,400	53,400	177,578	124,178
Total revenues	66,978,936	68,451,341	70,736,455	2,285,114
Expenditures:				
Current:				
Instruction:				
Regular	25,607,522	25,684,159	24,382,299	1,301,860
Special	9,377,401	9,669,695	10,094,463	(424,768)
Vocational	190,902	191,395	162,983	28,412
Other	574,290	531,290	492,119	39,171
Support services:				
Pupil	5,170,123	5,571,581	5,449,839	121,742
Instructional staff	1,503,933	1,631,172	1,530,899	100,273
Board of education	67,815	68,505	49,363	19,142
Administration	6,247,592	6,251,792	5,879,775	372,017
Fiscal	1,082,477	1,082,477	1,056,632	25,845
Business	1,067,367	1,131,144	1,069,481	61,663
Operations and maintenance	10,881,021	10,945,368	9,618,362	1,327,006
Pupil transportation	5,037,251	5,282,463	4,497,392	785,071
Central	1,498,930	1,608,130	1,553,178	54,952
Extracurricular activities	1,039,616	1,104,443	1,193,194	(88,751)
Total expenditures	69,346,240	70,753,614	67,029,979	3,723,635
Excess of revenues over expenditures	(2,367,304)	(2,302,273)	3,706,476	6,008,749
Other financing sources (uses):				
Refund of prior year's expenditures	-	-	182,343	182,343
Refund of prior year's receipts	(5,000)	(5,000)	-	5,000
Transfers in	-	84,879	84,879	-
Transfers (out)	(4,100,000)	(4,100,000)	(4,077,120)	22,880
Advances (out)	-	-	(61,327)	(61,327)
Insurance recoveries	-	87,500	87,500	-
Sale of assets	7,500	85,765	86,538	773
Total other financing sources (uses)	(4,097,500)	(3,846,856)	(3,697,187)	149,669
Net change in fund balance	(6,464,804)	(6,149,129)	9,289	6,158,418
Fund balance at beginning of year	55,878,778	55,878,778	55,878,778	-
Prior year encumbrances appropriated	3,044,781	3,044,781	3,044,781	-
Fund balance at end of year	$ 52,458,755	$ 52,774,430	$ 58,932,848	$ 6,158,418

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	**Final**	**Actual**	
Revenues:				
Intergovernmental	$ 31,701,944	$ 31,708,769	$ 15,737,582	$ (15,971,187)
Total revenue	31,701,944	31,708,769	15,737,582	(15,971,187)
Expenditures:				
Current:				
Instruction:				
Regular	5,725,308	5,430,573	2,964,735	2,465,838
Special	-	22,408	22,615	(207)
Other	5,905	8,071	1,984	6,087
Support services:				
Pupil	284,024	452,763	167,566	285,197
Instructional staff	1,177,977	739,686	189,522	550,164
Administration	1,047,887	879,586	448,242	431,344
Fiscal	255,025	1,039,156	132,076	907,080
Operations and maintenance	15,779,579	16,573,792	16,476,671	97,121
Pupil transportation	1,764,801	1,263,662	1,129,347	134,315
Central	40,303	39,303	17,438	21,865
Operation of non-instructional services:				
Food service operations	191,021	235,775	186,985	48,790
Other non-instructional services	152,115	149,554	6,439	143,115
Extracurricular activities	403,559	-	-	-
Total expenditures	26,827,504	26,834,329	21,743,620	5,090,709
Net change in fund balance	4,874,440	4,874,440	(6,006,038)	(10,880,478)
Fund balance (deficit) at beginning of year	(9,906,877)	(9,906,877)	(9,906,877)	-
Prior year encumbrances appropriated	5,032,437	5,032,437	5,032,437	-
Fund balance (deficit) at end of year	$ -	$ -	$ (10,880,478)	$ (10,880,478)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

		Governmental Activities - Internal Service Funds
Assets:		
Current assets:		
Equity in pooled cash and investments	$	7,240,520
Receivables:		
Accounts		47,629
Total assets		7,288,149
Liabilities:		
Current liabilities:		
Claims payable		718,841
Total liabilities		718,841
Net position:		
Unrestricted		6,569,308
Total net position	$	6,569,308

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Governmental Activities - Internal Service Funds
Operating revenues:	
Charges for services	$ 8,991,732
Other	132,788
Total operating revenues	9,124,520
Operating expenses:	
Purchased services	859,991
Materials and supplies	93,715
Claims	9,248,347
Total operating expenses	10,202,053
Operating loss/change in net position	(1,077,533)
Net position at beginning of year	7,646,841
Net position at end of year	$ 6,569,308

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Governmental Activities - Internal Service Funds
Cash flows from operating activities:	
Cash received from charges for services	$ 8,944,103
Cash received from other operations	132,788
Cash payments for purchased services	(859,991)
Cash payments for materials and supplies	(93,715)
Cash payments for claims	(9,784,734)
Net cash used in operating activities	(1,661,549)
Net decrease in cash and investments	(1,661,549)
Cash and investments at beginning of year	8,902,069
Cash and investments at end of year	$ 7,240,520
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (1,077,533)
Changes in assets and liabilities:	
Accounts receivable	(47,629)
Claims payable	(536,387)
Net cash used in operating activities	$ (1,661,549)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Warren City School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a city school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (five members) and is responsible for the provision of public education to residents of the District.

The District employs 312 non-certified and 443 certified employees to provide services to approximately 4,632 students and community groups. The District provides regular, vocational and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

JOINTLY GOVERNED ORGANIZATIONS

Trumbull Career and Technical Center
The Trumbull Career and Technical 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 19 participating school districts' elected boards, which possesses its own budgeting and taxing authority. Financial information can be obtained by contacting the Treasurer at 528 Educational Highway, Warren, Ohio 44483.

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

Northeast Ohio Management Information Network (NEOMIN)
NEOMIN is a jointly governed organization among thirty school districts in Trumbull and Ashtabula Counties. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions among member districts. Each of the districts supports NEOMIN based upon a per pupil charge.

Superintendents of the participating school districts are eligible to be voting members of the Governing Board, which consists of ten members: the Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County school districts, three superintendents from Trumbull County districts, and a treasurer from each county. The District was not represented on the Governing Board during fiscal year 2023. The degree of control exercised by any participating school district is limited to its representation on the Governing Board. A complete set of separate financial statements may be obtained from the Trumbull County Educational Service Center, 6000 Youngstown-Warren Road, Niles, Ohio 44446.

North East Ohio Instructional Media Center (NEOIMC)
NEOIMC is a jointly governed organization among 45 school districts. The jointly governed organization was formed for the purpose of providing quality films and/or other media to support the educational curricula of the member school districts. Each member pays a monthly premium based on use of the media materials.

NEOIMC is governed by an advisory committee made up of a member from a parochial school, a joint vocational school, the county superintendent from each participating county, one city superintendent, and two local superintendents rotating every two years. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained by contacting the Treasurer at the Trumbull County Educational Service Center, 6000 Youngstown-Warren Road, Niles, Ohio 44446.

Region 12 Professional Development Center (RPDC)
The RPDC is a jointly governed organization among the school districts located in Trumbull, Mahoning, and Columbiana Counties. The jointly governed organization was formed for the purpose of establishing an articulated, regional structure for professional development, in which school districts, the business community, higher education and other groups cooperatively plan and implement effective professional development activities that are tied directly to school improvement, and in particular, to improvements in instructional programs.

The RPDC is governed by a board made up of 19 representatives of the participating school districts, the business community, and Youngstown State University whose term rotates every year. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained by contacting the Treasurer at the Trumbull County Educational Service Center, 6000 Youngstown-Warren Road, Niles, Ohio 44446.

B. Fund Accounting

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

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

GOVERNMENTAL FUNDS

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

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

Elementary and Secondary School Emergency Relief (ESSER) fund - The ESSER fund is used to account for federal emergency relief grants related to the COVID-19 pandemic. Restrictions include, but are not limited to, providing for coordination of preparedness and response efforts, training and professional development for staff, planning and coordination during long-term closure, and purchasing technology for students.

Permanent improvement fund - This fund is used to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements as authorized by Chapter 5705 of the Ohio Revised Code.

Building fund - The building fund is used to account for the revenues and expenditures related to all special bond funds in the District. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring and improving capital facilities including real property.

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

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no enterprise funds. The following is a description of the District’s internal service funds:

Internal service funds - The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The internal service funds of the District account for self-insurance, warehouse service and parking programs.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District’s own programs. The District has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District has no custodial funds.

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

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service funds operating activities are eliminated to avoid overstatement of revenues and expenses.

The statement of net position presents the financial condition of the governmental activities of the District at fiscal year end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

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

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

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

Like the government-wide statements, the internal service funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

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

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

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

D. Basis of Accounting

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, 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 satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 12 and 13 for deferred inflows of resources related to net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

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

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

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

E. Budgets

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2023 is as follows.

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

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

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

4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.)

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

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

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

7. Appropriation amounts are as originally adopted, or as amended by the Board of Education throughout the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted. The final budget figures, which appear in the statement of budgetary comparisons, represent the permanent appropriation amounts plus all supplemental appropriations legally enacted during the year.

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

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

F. Cash and Investments

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

During fiscal year 2023, investments were limited to federal agency securities, U.S. Treasury notes, a corporate bond, U.S. government money market mutual funds and negotiable CDs. Investments are reported at fair value, which is based on quoted market prices.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest earnings credited to the general fund during fiscal year 2023 amounted to $(66,206), which includes $(122,552) assigned from other District funds. The amounts are negative due to the decrease in the fair value of the District's investments.

For presentation on the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are reported as "equity in pooled cash and investments." Investments with an original maturity of more than three months that are not made from the pool are reported as "investments."

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

G. Inventory

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

H. Capital Assets

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

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

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

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

Description	Governmental Activities Estimated Lives
Land improvements	20 - 50 years
Buildings and improvements	20 - 50 years
Furniture and equipment	5 - 20 years
Intangible leased assets	5 years
Vehicles	8 years

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

I. Interfund Balances

Interfund loans that are used to cover negative cash balances or are due to another fund for services provided are classified as “due to/from other funds”. These amounts are eliminated in the governmental activities columns of the statement of net position.

Receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivable/payable.” These amounts are eliminated in the governmental activities column on the statement of net position.

J. Compensated Absences

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

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

For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees with at least ten years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

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

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.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the internal service funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, certificates of participation, leases and notes are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

L. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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

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

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

M. Estimates

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

N. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted for other grants and a special trust fund.

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

O. Bond Premium and Discount/Deferred Charge on Refunding

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

For bond refundings resulting in the defeasance of the debt reported in the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow on the government-wide financial statements.

On the governmental fund financial statements, bond premiums and discounts are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 9.A.

P. Interfund Activity

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

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

Q. Pensions/Other Postemployment Benefits (OPEB)

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During fiscal year 2023, the District had no extraordinary or special items.

S. Fair Value

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

T. Prepayments

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the District.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the District.

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

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

B. Deficit Nonmajor Fund Balances

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

Nonmajor funds	Deficit
Public school preschool	$ 105,323
Title VI-B	611,675
Supplemental school improvement	5,357
Title I	687,385
Supporting effective instruction	45,476
21st century learning centers	12,696
Student support and academic enrichment	89,964

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

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

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

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

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

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

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made on through eligible institutions;

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

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

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

A. Cash on Hand

At fiscal year end, the District had $4,470 in undeposited cash on hand which is included on the financial statements of the District as part of “equity in pooled cash and investments”.

B. Deposits with Financial Institutions

At June 30, 2022, the carrying amount of all District deposits was $27,107,767. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of June 30, 2023, $26,766,771 of the District’s bank balance of $27,546,137 was exposed to custodial risk as discussed below, while $779,366 was covered by the FDIC.

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

C. Investments

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

Measurement/ Investment type	Measurement value	Investment maturities: 6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair value:						
FHLB	$ 34,374,780	$ 2,717,077	$ 2,724,579	$ 4,342,824	$ 6,875,114	$ 17,715,186
FHLMC	13,897,896	-	986,140	989,920	3,968,380	7,953,456
FNMA	892,961	-	-	-	-	892,961
FFCB	1,694,634	-	-	-	-	1,694,634
U.S. Treasury notes	8,527,382	-	1,798,720	235,576	1,196,680	5,296,406
Corporate bond	4,466,000	-	-	-	-	4,466,000
Negotiable CD's	3,616,071	-	-	927,360	2,011,516	677,195
U.S. Government money market	1,209,970	1,209,970	-	-	-	-
	$ 68,679,694	$ 3,927,047	$ 5,509,439	$ 6,495,680	$ 14,051,690	$ 38,695,838

The weighted average maturity of investments is 2.07 years.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

Credit Risk: U.S. Government money market mutual funds carry a rating of AAAm by Standard & Poor's. The District's investments in federal agency securities and U.S. Treasury notes were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The District's investment in a corporate bond was rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The District's investments in negotiable CDs are not rated as they are fully insured by the FDIC.

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

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

Measurement/ Investment type	Measurement value	% of Total
Fair value:		
FHLB	$ 34,374,780	50.05
FHLMC	13,897,896	20.24
FNMA	892,961	1.30
FFCB	1,694,634	2.47
U.S. Treasury notes	8,527,382	12.42
Corporate bond	4,466,000	6.50
Negotiable CD's	3,616,071	5.26
U.S. Government money market	1,209,970	1.76
	$ 68,679,694	100.00

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

Cash and investments per note	
Carrying amount of deposits	$ 27,107,767
Investments	68,679,694
Cash on hand	4,470
Total	$ 95,791,931
Cash and investments per statement of net position	
Governmental activities	$ 95,791,931

NOTE 5 - INTERFUND TRANSACTIONS

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

Due to the general fund from:	Amount
ESSER fund	$ 2,924,196
Nonmajor governmental funds	2,239,556
Total	$ 5,163,752

The primary purpose of the interfund loans due to the general fund is to cover negative cash balances in the ESSER fund and the following nonmajor governmental funds: the Public School Preschool fund, the 21st Century Learning Centers fund, the Title IV-B fund, the Supplemental School Improvement fund, the Title I fund, the Student Support and Academic Achievement fund, the IDEA Handicapped Preschool fund and the Supporting Effective Instruction fund. These negative cash balances are allowable under Ohio Revised Code Section 3315.20. The interfund balance will be repaid once the anticipated revenues are received. There are also amounts due to the general fund for services provided on account.

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

B. Interfund balances at June 30, 2023 as reported on the fund statements, consist of the following individual interfund loans receivable and payable:

Receivable fund	Payable fund	Amount
General Fund	Nonmajor governmental funds	$ 61,327

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. The interfund balances will be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

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

	Amount
Transfers from general fund to:	
Permanent improvement fund	$ 4,000,000
Nonmajor governmental funds	77,120
Total	$ 4,077,120

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

All transfers made in fiscal year 2023 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16. Transfers between governmental funds are eliminated for reporting on the government-wide financial statements.

NOTE 6 - PROPERTY TAXES

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

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

The District receives property taxes from Trumbull County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available for advance at June 30, 2023 was $207,514 in the general fund, $23,746 in the debt service fund, a nonmajor governmental fund, $1,843 in the permanent improvement fund, and $1,855 in the classroom facilities maintenance fund, a nonmajor governmental fund. This amount is recorded as revenue. The amount available for advance at June 30, 2022 was $158,799 in the general fund, $19,558 in the debt service fund, a nonmajor governmental fund, $1,527 in the permanent improvement fund, and $1,527 in the classroom facilities maintenance fund, a nonmajor governmental fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

NOTE 6 - PROPERTY TAXES - (Continued)

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

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

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

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 275,836,050	88.29	$ 275,504,530	87.46
Public utility personal	36,595,370	11.71	39,512,930	12.54
Total	$ 312,431,420	100.00	$ 315,017,460	100.00
Tax rate per $1,000 of assessed valuation	$ 65.10		$ 65.00	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2023 consisted of property taxes, accounts, accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of Federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:	
Property taxes	$ 20,736,387
Accounts	344,207
Intergovernmental	9,305,447
Accrued interest	362,448
Total	$ 30,748,489

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

NOTE 8 - CAPITAL ASSETS

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

	Balance 6/30/22	Additions	Deductions	Balance 6/30/23
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 7,992,970	$ -	$ -	$ 7,992,970
Construction in progress	401,825	14,965,790	(134,601)	15,233,014
Total capital assets, not being depreciated/amortized	8,394,795	14,965,790	(134,601)	23,225,984
Capital assets, being depreciated/amortized:				
Land improvements	3,033,159	156,320	-	3,189,479
Buildings and improvements	138,200,622	134,601	-	138,335,223
Furniture and equipment	5,496,015	1,125,186	-	6,621,201
Intangible right to use equipment	803,944	-	-	803,944
Vehicles	3,579,683	540,249	(93,575)	4,026,357
Total capital assets, being depreciated/amortized	151,113,423	1,956,356	(93,575)	152,976,204
Less: accumulated depreciation/amortization:				
Land improvements	(963,737)	(171,390)	-	(1,135,127)
Buildings and improvements	(36,513,437)	(2,792,904)	-	(39,306,341)
Furniture and equipment	(3,371,423)	(347,253)	-	(3,718,676)
Intangible right to use equipment	(163,514)	(163,514)	-	(327,028)
Vehicles	(2,229,187)	(299,852)	87,039	(2,442,000)
Total accumulated depreciation/amortization	(43,241,298)	(3,774,913)	87,039	(46,929,172)
Governmental activities capital assets, net	$ 116,266,920	$ 13,147,233	$ (141,137)	$ 129,273,016

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

Instruction:	
Regular	$ 1,138,318
Special	525,954
Vocational	23,969
Other	4,039
Support services:	
Pupil	282,597
Instructional staff	155,879
Administration	283,491
Fiscal	26,747
Business	180,638
Operations and maintenance	496,572
Pupil transportation	290,508
Central	47,903
Food service operations	144,511
Non-instructional	6,579
Extracurricular activities	167,208
Total depreciation expense	$ 3,774,913

NOTE 9 - LONG-TERM OBLIGATIONS

A. The District's long-term obligations during the year consist of the following:

	Balance 6/30/22	Additions	Deductions	Balance 6/30/23	Amounts Due in One Year
Governmental activities:					
General obligation bonds:					
2019 refunding bonds					
Current interest bonds	$ 8,930,000	$ -	$ -	$ 8,930,000	$ -
2020 refunding bonds					
Current interest bonds	10,220,000	-	(1,400,000)	8,820,000	1,430,000
2020 school imp. bonds					
Current interest bonds	2,565,000	-	(65,000)	2,500,000	65,000
Total general obligation bonds	21,715,000	-	(1,465,000)	20,250,000	1,495,000
Other long-term obligations:					
Tax anticipation notes	306,000	-	(74,000)	232,000	76,000
Certificates of participation	-	16,000,000	-	16,000,000	160,000
Lease payable	649,101	-	(157,779)	491,322	163,113
Net pension liability	43,142,103	28,190,221	-	71,332,324	-
Net OPEB liability	5,930,247	-	(1,853,618)	4,076,629	-
Compensated absences	3,281,101	750,423	(467,176)	3,564,348	505,242
Total governmental activities long-term liabilities	$ 75,023,552	$ 44,940,644	$ (4,017,573)	115,946,623	$ 2,399,355
Add: unamortized premium on bond issue				1,697,831	
Total on statement of net position				$ 117,644,454	

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

Net pension liability: See Note 12 for information on the District's net pension liability. The District pays obligations related to employee compensation from the fund benefitting from their service, which, for the District, is primarily the general fund.

Net OPEB liability: See Note 13 for information on the District's net OPEB liability. The District pays obligations related to employee compensation from the fund benefitting from their service, which, for the District, is primarily the general fund.

B. On October 31, 2019, the District issued general obligation bonds (series 2019 refunding bonds) to refund a portion of the series 2012 general obligation bonds. The issuance proceeds of $9,796,712 and a $196,200 contribution from the District's debt service fund, a nonmajor governmental fund, were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The refunding issue is comprised of current interest bonds, par value $8,930,000. The interest rate on the current interest bonds is 4.00%. The bonds will be retired through the debt service fund, a nonmajor governmental fund.

The reacquisition price exceeded the net carrying amount of the old debt by $210,347. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt.

Interest payments on the current interest bonds are due June 1 and December 1 each year. The final maturity stated on the issue is December 1, 2029.

C. On January 15, 2020, the District issued general obligation bonds (series 2020 refunding bonds) to refund a portion of the series 2012 general obligation bonds. The issuance proceeds of $13,869,338 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding issue is comprised of current interest bonds, par value $12,905,000. The interest rate on the current interest bonds ranges from 2.00% to 4.00%. The bonds will be retired through the debt service fund, a nonmajor governmental fund.

The reacquisition price exceeded the net carrying amount of the old debt by $127,210. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt.

Interest payments on the current interest bonds are due June 1 and December 1 each year. The final maturity stated on the issue is December 1, 2031.

D. On January 15, 2020, the District issued general obligation bonds (series 2020 school improvement bonds) to finance the construction of new outdoor tennis courts at Lincoln Elementary as well as improvements to the Mollenkopf Athletic Complex and renovations to the east side stands at the high school stadium.

The issue is comprised of both current interest bonds, par value $2,630,000, and capital appreciation bonds, par value $41,999. The interest rate on the current interest bonds ranges from 2.00%-4.00%. The capital appreciation bonds matured on December 1, 2020 (approximate initial offering yield to maturity 1.33%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds was $55,000.

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2047. The bonds are retired from the debt service fund, a nonmajor governmental fund.

$553,762 of these bonds remain unspent at June 30, 2023.

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

Fiscal	Current Interest Bonds		
Year Ended	Principal	Interest	Total
2024	$ 1,495,000	$ 754,500	$ 2,249,500
2025	1,635,000	707,550	2,342,550
2026	1,865,000	638,950	2,503,950
2027	1,935,000	564,350	2,499,350
2028	2,060,000	485,850	2,545,850
2029 - 2033	9,500,000	1,142,425	10,642,425
2034 - 2038	480,000	305,600	785,600
2039 - 2043	575,000	200,500	775,500
2044 - 2048	705,000	72,900	777,900
Total	$ 20,250,000	$ 4,872,625	$ 25,122,625

F. On September 1, 2016, the District issued $719,000 in tax anticipation notes in order to provide funds for on-going permanent improvement projects. The tax anticipation notes are a direct placement. The notes were purchased by Huntington Public Capital Corporation. The terms of the notes did not contain any assets pledged for collateral, events of default with finance-related consequences, termination events with finance-related consequences or subjective acceleration clauses. These tax anticipation notes bear an interest rate of 2.25%. The notes are paid using the proceeds of the permanent improvement tax levy.

Interest payments on the tax anticipation notes are due June 1 and December 1 each year. The final maturity stated on the issue is December 1, 2025; however, the notes may be retired in full on or after December 1, 2020.

The following is a summary of the future debt service requirements to maturity for the tax anticipation notes:

Fiscal	Tax Anticipation Notes		
Year Ended	Principal	Interest	Total
2024	$ 76,000	$ 4,365	$ 80,365
2025	77,000	2,644	79,644
2027	79,000	889	79,889
Total	$ 232,000	$ 7,898	$ 239,898

G. The District has entered into a lease agreement for the use of right to use copier equipment. The lease requires monthly payments and the lease term ends in May 2026. Due to the implementation of GASB Statement No. 87, the District will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund. Lease payments have been reclassified and shown as debt service expenditures in the general fund. These expenditures for the lease will be reflected as function expenditures on a budgetary basis.

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

Fiscal Year	Principal	Interest	Total
2024	$ 163,113	$ 13,887	$ 177,000
2025	168,629	8,371	177,000
2026	159,580	2,670	162,250
Total	$ 491,322	$ 24,928	$ 516,250

H. On April 20, 2023, the District issued $16,000,000 in certificates of participation (COPs) for the purpose of constructing a recreation and wellness center adjoining the existing high school building. The COPs were issued for a thirty year period with final maturity in fiscal year 2053. The COPs were issued through a series of lease agreements and trust indentures in accordance with Ohio Revised Code Section 3313.375. In accordance with the lease terms, the project site and facilities are leased to Ohio School Building Leasing Corporation, and then subleased back to the District. The COPs were issued through a series of annual leases with the initial lease beginning on April 20, 2023 and expiring on June 30, 2023. The lease may be renewed for successive one-year terms each beginning on July 1 and terminating on June 30, except that the final renewal period will terminate on December 1, 2052. Renewals of the lease are subject to annual appropriations. To satisfy the trustee agreements, the District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component of 4.00-5.00 percent. The COPs will be paid from the permanent improvement fund. At June 30, 2023, $11,969,111 of COPs proceeds remains unspent.

The following is a summary of the future debt service requirements to maturity for the District's certificates of participation:

	Certificates of Participation		
Year Ended	Principal	Interest	Total
2024	$ 160,000	$ 806,452	$ 966,452
2025	270,000	712,831	982,831
2026	285,000	698,956	983,956
2027	300,000	684,331	984,331
2028	310,000	669,081	979,081
2029 - 2033	1,815,000	3,088,530	4,903,530
2034 - 2038	2,285,000	2,612,907	4,897,907
2039 - 2043	2,790,000	2,093,825	4,883,825
2044 - 2048	3,455,000	1,413,951	4,868,951
2049 - 2053	4,330,000	518,690	4,848,690
Total	$ 16,000,000	$ 13,299,554	$ 29,299,554

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

I. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2023, are a voted debt margin of $9,351,632 (including available funds of $1,250,061) and an unvoted debt margin of $315,017.

NOTE 10 - COMPENSATED ABSENCES

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Full-time employees, including full-time hourly rated and per diem employees, are granted vacation with pay as follows:

Years of Service	Vacation Days
0-1	None
1-8 inclusive	2 weeks annually
After 8-12	3 weeks annually
After 12 or more	4 weeks annually

Any vacation days which are not used as of December 31 are not available for use in a subsequent year for classified personnel. Administrators are permitted to carryover 5 unused days to the next calendar year.

Each employee earns sick leave at the rate of one and one-quarter days for each completed month of service, or 15 days for each completed year of service. The maximum number of sick leave days that employees may accumulate is unlimited. Any sick leave earned or unused in prior employment with another public school district or other agency of the state, shall, upon presentation of a certified copy stating the number of sick leave days earned and unused from such employers, be transferred to the employees account at the time of employment in the manner prescribed by State law.

Retirement severance is paid to each employee with 10 or more years of service in the District who elects to retire from active service or who dies while on active service. The employee, or his/her estate shall receive, in one lump sum 1/4 of the value of his/her accrued and unused sick leave to a maximum of 30 days (1/4 of 120 days) multiplied times his/her per diem rate at the time of retirement. Sick leave balances in excess of the 120 days are paid at 1/8 the per diem rate.

NOTE 11 - RISK MANAGEMENT

A. General Risk

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has addressed these various types of risk by purchasing a comprehensive insurance policy through commercial carriers. Property insurance is maintained with a $10,000 deductible. General liability insurance is maintained in the amount of $15,000,000 for each occurrence and $17,000,000 in the aggregate.

The District maintains fleet insurance in the amount of $15,000,000 for any one accident or loss.

Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. There has been no significant reduction in amounts of insurance coverage from 2022.

B. Workers' Compensation

Workers' compensation coverage is provided by the State of Ohio. The District pays the Bureau of Workers' Compensation a premium based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

C. Health Insurance

The District has established an internal service "self-insurance" fund, in conjunction with a formalized risk management program, in an effort to minimize risk exposure and control claims and premium costs.

This self-insurance fund was established for the purpose of accumulating balances sufficient to self-insure basic medical coverage and permit excess umbrella coverage for claims over a pre-determined level. Board and employee premium contributions are determined by negotiated agreement. Amounts are paid into this fund from the general fund and certain nonmajor governmental funds. Claims payments are made on an as-incurred basis, thus no "reserve" remains with the insurance carrier.

Expenses for claims are recorded as other expenses when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimate. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount.

Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using expected future investment assumptions as determined by the third party administrator. These liabilities are reported at their present value of $718,841 at June 30, 2023.

A summary of changes in self-insurance claims for the current and proceeding years follows:

Fiscal Year	Beginning Balance	Current Year Claims	Claims Payments	Ending Balance
2023	$ 1,255,228	$ 9,248,347	$ (9,784,734)	$ 718,841
2022	1,233,582	9,587,879	(9,566,233)	1,255,228

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

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

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

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Age and service requirements for retirement are as follows:

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

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

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

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

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

The District's contractually required contribution to SERS was $1,620,780 for fiscal year 2023. Of this amount, $74,987 is reported as pension obligation payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

NOTE 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 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

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

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

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

If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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

The District's contractually required contribution to STRS was $4,779,762 for fiscal year 2023. Of this amount, $791,308 is reported as pension obligation payable.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.315723100%	0.246309132%	
Proportion of the net pension liability current measurement date	0.283650400%	0.251866790%	
Change in proportionate share	-0.032072700%	0.005557658%	
Proportionate share of the net pension liability	$ 15,342,020	$ 55,990,304	$ 71,332,324
Pension expense	$ 378,773	$ 6,321,063	$ 6,699,836

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	$ 621,365	$ 716,749	$ 1,338,114
Net difference between projected and actual earnings on pension plan investments	-	1,948,344	1,948,344
Changes of assumptions	151,382	6,700,358	6,851,740
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	173,183	690,064	863,247
Contributions subsequent to the measurement date	1,620,780	4,779,762	6,400,542
Total deferred outflows of resources	$ 2,566,710	$ 14,835,277	$ 17,401,987

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 100,717	$ 214,181	$ 314,898
Net difference between projected and actual earnings on pension plan investments	535,370	-	535,370
Changes of assumptions	-	5,043,443	5,043,443
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	1,162,710	995,774	2,158,484
Total deferred inflows of resources	$ 1,798,797	$ 6,253,398	$ 8,052,195

$6,400,542 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (353,586)	$ (356,208)	$ (709,794)
2025	(624,190)	(219,243)	(843,433)
2026	(764,782)	(1,300,762)	(2,065,544)
2027	889,691	5,678,330	6,568,021
Total	$ (852,867)	$ 3,802,117	$ 2,949,250

Actuarial Assumptions - SERS

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 22,582,721	$ 15,342,020	$ 9,241,828

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

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

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

For the June 30, 2022 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 84,580,967	$ 55,990,304	$ 31,811,456

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was $211,706.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $211,706 for fiscal year 2023. Of this amount, $211,706 is reported as pension obligation payable.

Plan Description - State Teachers Retirement System (STRS)

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

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

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

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.313341600%	0.246309132%	
Proportion of the net OPEB liability/asset current measurement date	0.290356000%	0.251866790%	
Change in proportionate share	-0.022985600%	0.005557658%	
Proportionate share of the net OPEB liability	$ 4,076,629	$ -	$ 4,076,629
Proportionate share of the net OPEB asset	$ -	$ 6,521,668	$ 6,521,668
OPEB expense	$ (397,510)	$ (1,177,270)	$ (1,574,780)

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	$ 34,270	$ 94,545	$ 128,815
Net difference between projected and actual earnings on OPEB plan investments	21,189	113,527	134,716
Changes of assumptions	648,438	277,800	926,238
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	222,025	98,248	320,273
Contributions subsequent to the measurement date	211,706	-	211,706
Total deferred outflows of resources	$ 1,137,628	$ 584,120	$ 1,721,748

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 2,607,711	$ 979,437	$ 3,587,148
Changes of assumptions	1,673,486	4,624,498	6,297,984
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	951,677	77,847	1,029,524
Total deferred inflows of resources	$ 5,232,874	$ 5,681,782	$ 10,914,656

$211,706 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2024.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (938,933)	$ (1,497,823)	$ (2,436,756)
2025	(925,950)	(1,439,480)	(2,365,430)
2026	(841,351)	(712,414)	(1,553,765)
2027	(560,192)	(293,078)	(853,270)
2028	(378,330)	(381,682)	(760,012)
Thereafter	(662,196)	(773,185)	(1,435,381)
Total	$ (4,306,952)	$ (5,097,662)	$ (9,404,614)

Actuarial Assumptions - SERS

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

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

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

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

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

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 5,063,234	$ 4,076,629	$ 3,280,170

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 3,143,812	$ 4,076,629	$ 5,295,038

Actuarial Assumptions - STRS

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

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

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

For the June 30, 2022 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

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

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

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 6,039,186	$ 6,521,668	$ 6,943,587

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 6,764,558	$ 6,521,668	$ 6,215,083

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

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

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

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

Net Change in Fund Balance

	General fund	ESSER fund
Budget basis	$ 9,289	$ (6,006,038)
Net adjustment for revenue accruals	(865,201)	(1,949,845)
Net adjustment for expenditure accruals	804,734	(664,926)
Net adjustment for other sources/uses	(121,015)	-
Funds budgeted elsewhere	(112,042)	-
Adjustment for encumbrances	2,840,669	7,956,282
GAAP basis	$ 2,556,434	$ (664,527)

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the uniform school supplies fund, the public school support fund, the District agency fund, the District rotary fund, the recreation fund and the underground storage tank fund.

NOTE 15 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous Federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds; however, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District at June 30, 2023.

B. Litigation

The District is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and spending projects. The District management is of the opinion that disposition of the claim and legal proceedings will not have a material effect, if any, on the financial condition of the District.

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has finalized the impact of enrollment adjustments to the June 30, 2023 Foundation funding for the District, which did not result in a material receivable to, or liability of, the District.

NOTE 16 - SET-ASIDES

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

During fiscal years 2004, 2021 and 2023, the District issued $38,000,000, $2,671,999 and $16,000,000, respectively, in capital related school improvement bonds and certificates of participation. These proceeds may be used to reduce the capital improvements set-aside amount to below zero for future years. The amount presented for prior year offset from bond proceeds is limited to an amount needed to reduce the capital improvements set-aside balance to $0. The District is responsible for tracking the amount of the proceeds that may be used as an offset in future periods, which was $56,671,999 at June 30, 2023.

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

	Capital Improvements
Set-aside balance June 30, 2022	$ -
Current year set-aside requirement	983,630
Current year qualifying expenditures	(427,936)
Current year offsets	(4,499,417)
Total	$ (3,943,723)
Balance carried forward to fiscal year 2024	$ -
Set-aside balance June 30, 2023	$ -

NOTE 17 - CONTRACTUAL COMMITMENTS

As of June 30, 2023 the District has commitments with the following company for the Wellness Center construction project.

Contractor	Contract Amount	Amount Paid as of June 30, 2023	Amount Remaining on Contract
DeSalvo Construction Company	$ 36,116,780	$ 11,623,323	$ 24,493,457

NOTE 18 - OTHER COMMITMENTS

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

Fund	Year-End Encumbrances
General fund	$ 2,010,701
ESSER fund	6,428,486
Permanent improvement	2,624,733
Building	8,123,649
Other governmental	1,224,695
Total	$ 20,412,264

NOTE 19 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Other governments entered into property tax abatement agreements with property owners under the Enterprise Zone Agreement ("EZA") program with the taxing districts of the District. The EZA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing districts of the District, the City of Warren has entered into such agreements. Under these agreements, the District's property taxes were reduced by $25,583. The District is not receiving any amounts from these other governments in association with the forgone property tax revenue.

NOTE 20 - COVID-19

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

REQUIRED SUPPLEMENTARY INFORMATION

WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net pension liability	0.28365040%	0.31572310%	0.30249190%	0.31081380%
District's proportionate share of the net pension liability	$ 15,342,020	$ 11,649,267	$ 20,007,452	$ 18,596,535
District's covered payroll	$ 10,949,629	$ 10,499,929	$ 10,649,036	$ 10,669,052
District's proportionate share of the net pension liability as a percentage of its covered payroll	140.11%	110.95%	187.88%	174.30%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.30541030%	0.30535220%	0.30236630%	0.29934440%	0.30179600%	0.30179600%
$ 17,491,414	$ 18,244,119	$ 22,130,423	$ 17,080,882	$ 15,273,724	$ 17,946,840
$ 10,402,778	$ 9,790,986	$ 9,410,507	$ 9,011,829	$ 8,769,610	$ 8,351,055
168.14%	186.34%	235.17%	189.54%	174.17%	214.91%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net pension liability	0.251866790%	0.246309132%	0.245354390%	0.251019790%
District's proportionate share of the net pension liability	$ 55,990,304	$ 31,492,836	$ 59,367,032	$ 55,511,518
District's covered payroll	$ 32,800,943	$ 31,009,279	$ 29,464,121	$ 29,259,014
District's proportionate share of the net pension liability as a percentage of its covered payroll	170.70%	101.56%	201.49%	189.72%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.262347120%	0.254109810%	0.258767340%	0.252835730%	0.252807710%	0.252807710%
$ 57,684,241	$ 60,364,330	$ 86,617,229	$ 69,876,400	$ 61,491,584	$ 73,248,373
$ 30,477,886	$ 27,872,214	$ 27,613,857	$ 26,677,657	$ 25,829,962	$ 28,375,285
189.27%	216.58%	313.67%	261.93%	238.06%	258.14%
77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 1,620,780	$ 1,532,948	$ 1,469,990	$ 1,490,865
Contributions in relation to the contractually required contribution	(1,620,780)	(1,532,948)	(1,469,990)	(1,490,865)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 11,577,000	$ 10,949,629	$ 10,499,929	$ 10,649,036
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 1,440,322	$ 1,404,375	$ 1,370,738	$ 1,317,471	$ 1,187,759	$ 1,215,468
(1,440,322)	(1,404,375)	(1,370,738)	(1,317,471)	(1,187,759)	(1,215,468)
$ -	$ -	$ -	$ -	$ -	$ -
$ 10,669,052	$ 10,402,778	$ 9,790,986	$ 9,410,507	$ 9,011,829	$ 8,769,610
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 4,779,762	$ 4,592,132	$ 4,341,299	$ 4,124,977
Contributions in relation to the contractually required contribution	(4,779,762)	(4,592,132)	(4,341,299)	(4,124,977)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 34,141,157	$ 32,800,943	$ 31,009,279	$ 29,464,121
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
$	4,096,262	$	4,266,904	$	3,902,110	$	3,865,940	$	3,734,872	$	3,357,895
	(4,096,262)		(4,266,904)		(3,902,110)		(3,865,940)		(3,734,872)		(3,357,895)
$	-	$	-	$	-	$	-	$	-	$	-
$	29,259,014	$	30,477,886	$	27,872,214	$	27,613,857	$	26,677,657	$	25,829,962
	14.00%		14.00%		14.00%		14.00%		14.00%		13.00%

WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net OPEB liability	0.29035600%	0.31334160%	0.30330870%	0.31941810%
District's proportionate share of the net OPEB liability	$ 4,076,629	$ 5,930,247	$ 6,591,891	$ 8,032,693
District's covered payroll	$ 10,949,629	$ 10,499,929	$ 10,649,036	$ 10,669,052
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	37.23%	56.48%	61.90%	75.29%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017
0.31125300%	0.31042100%	0.30690677%
$ 8,634,999	$ 8,330,884	$ 8,747,978
$ 10,402,778	$ 9,790,986	$ 9,410,507
83.01%	85.09%	92.96%
13.57%	12.46%	11.49%

WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net OPEB liability/asset	0.251866790%	0.246309132%	0.245354390%	0.251019790%
District's proportionate share of the net OPEB liability/(asset)	$ (6,521,668)	$ (5,193,227)	$ (4,312,102)	$ (4,157,489)
District's covered payroll	$ 32,800,943	$ 31,009,279	$ 29,464,121	$ 29,259,014
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	19.88%	16.75%	14.64%	14.21%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.10%	174.70%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017	
	0.262347120%		0.254109810%		0.258767340%
$	(4,215,650)	$	9,914,427	$	13,838,945
$	30,477,886	$	27,872,214	$	27,613,857
	13.83%		35.57%		50.12%
	176.00%		47.10%		37.33%

WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 211,706	$ 191,260	$ 144,917	$ 144,780
Contributions in relation to the contractually required contribution	(211,706)	(191,260)	(144,917)	(144,780)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 11,577,000	$ 10,949,629	$ 10,499,929	$ 10,649,036
Contributions as a percentage of covered payroll	1.83%	1.75%	1.38%	1.36%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
$	224,236	$	220,116	$	171,773	$	157,406	$	228,743	$	171,193
	(224,236)		(220,116)		(171,773)		(157,406)		(228,743)		(171,193)
$	-	$	-	$	-	$	-	$	-	$	-
$	10,669,052	$	10,402,778	$	9,790,986	$	9,410,507	$	9,011,829	$	8,769,610
	2.10%		2.12%		1.75%		1.67%		2.54%		1.95%

WARREN CITY SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 34,141,157	$ 32,800,943	$ 31,009,279	$ 29,464,121
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ -	$ -	$ -	$ -	$ -	$ 264,471
-	-	-	-	-	(264,471)
$ -	$ -	$ -	$ -	$ -	$ -
$ 29,259,014	$ 30,477,886	$ 27,872,214	$ 27,613,857	$ 26,677,657	$ 25,829,962
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms:

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

Changes in assumptions:

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

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

(Continued)

PENSION (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms:

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

Changes in assumptions:

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms:

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

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Changes in assumptions :

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

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

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

(Continued)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

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

Changes in assumptions :

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

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

(Continued)

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

Changes in assumptions (continued) :

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

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

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

To the Board of Education
Warren City School District
Trumbull County, Ohio
105 High Street North East
Warren, OH 44481

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 Warren City School District, Trumbull County, Ohio (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 28, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Rea & Associates, Inc.

Rea & Associates, Inc.
New Philadelphia, Ohio
December 28, 2023

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

To the Board of Education
Warren City School District
Trumbull County, Ohio
105 High Street North East
Warren, OH 44481

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Warren City School District's, Trumbull County, Ohio (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Rea & Associates, Inc.

Rea & Associates, Inc.
New Philadelphia, Ohio
December 28, 2023

Warren City School District
Trumbull County, Ohio
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass Through Grantor Program Title	Grant Year/ Direct Award No.	ALN Number	Federal Expenditures	Amounts Paid to Subrecipients
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education:				
Title I:				
Title I Grants to Local Educational Agencies	2022	84.010A	$ 726,925	$ 0
Title I Grants to Local Educational Agencies	2023	84.010A	3,558,004	0
Title I Neglected	2022	84.010A	16,984	0
Title I Neglected	2023	84.010A	20,752	0
Title I Delinquent	2022	84.010A	14,993	0
Title I Delinquent	2023	84.010A	54,589	0
School Quality Improvement	2022	84.010A	28,133	0
School Quality Improvement	2023	84.010A	102,662	0
Expanding Opportunties for Each Child	2022	84.010A	57,164	0
Expanding Opportunties for Each Child	2023	84.010A	105,564	0
Title-I Non-competitive, Supplemental School Improvement	2023	84.010A	67,062	0
Total Title I			4,752,832	0
Special Education Cluster:				
Special Education - Grants to States	2022	84.027A	254,542	0
Special Education - Grants to States	2023	84.027A	1,077,990	0
COVID-19: ARP Special Education - Grants to States	2022	84.027X	25,222	0
Total Special Education - Grants to States			1,357,754	0
COVID-19: ARP Early Childhood Special Education	2022	84.173X	20,503	0
Special Education Preschool Grants	2022	84.173A	31,642	0
Special Education Preschool Grants	2023	84.173A	14,671	0
Total Special Education Preschool Grants			66,816	0
Total Special Education Cluster:			1,424,570	0
21st Century Community Learning Centers	2022	84.287C	6,485	0
21st Century Community Learning Centers	2023	84.287C	159,795	0
Total 21st Century Community Learning Centers			166,280	0
Title III Consortium Allocation	2023	84.365A	6,640	0
Title II-A - Improving Teacher Quality	2022	84.367A	77,388	0
Title II-A - Improving Teacher Quality	2023	84.367A	380,042	0
Total Title II-A - Improving Teacher Quality			457,430	0
COVID-19: Education Stabilization Fund Program - ESSER II	2022	84.425D	329,965	0
COVID-19: Education Stabilization Fund Program - ESSER ARP	2023	84.425U	13,361,075	0
COVID-19: Education Stabilization Fund Program - ESSER ARP Homeless Round I	2022	84.425W	81,782	0
COVID-19: Education Stabilization Fund Program - ESSER ARP Homeless Round II	2022	84.425U	14,515	0
Total Education Stablization Fund Program			13,787,337	0
Title IV-A - Student Support and Academic Enrichment	2022	84.424A	74,533	0
Title IV-A - Student Support and Academic Enrichment	2023	84.424A	334,953	0
Stronger Connections	2023	84.424F	58,665	
Total Title IV-A - Student Support and Academic Enrichment			468,151	0
McKinney - Vento Homeless Assistance Program	2022	84.196A	22,168	0
McKinney - Vento Homeless Assistance Program	2023	84.196A	170,005	0
Total McKinney - Vento Homeless Assistance Program			192,173	0
Total U.S. Department of Education			**21,255,413**	**0**

Warren City School District
Trumbull County, Ohio
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass Through Grantor Program Title	Grant Year/ Direct Award No.	ALN Number	Federal Expenditures	Amounts Paid to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Education:				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
School Breakfast Program	2023	10.553	78,359	0
National School Lunch Program	2023	10.555	206,433	0
Non-Cash Assistance Subtotal			284,792	0
Cash Assistance:				
School Breakfast Program	2023	10.553	1,190,628	0
National School Lunch Program	2023	10.555	3,136,661	0
COVID-19: National School Lunch Program	2023	10.555	114,119	0
Summer Food Service Program	2023	10.559	198,429	0
Fresh Fruit and Vegetable	2023	10.582	290,886	0
Cash Assistance Subtotal			4,930,723	0
Total Child Nutrition Cluster			5,215,515	0
Child and Adult Care Food Program	2023	10.558	195,410	0
COVID-19: Pandemic EBT Administrative Costs	2023	10.649	3,135	0
Total U.S. Department of Agriculture			**5,414,060**	**0**
U.S. DEPARTMENT OF TREASURY				
Passed Through Ohio Facilities Construction Commission:				
COVID-19: K12 School Safety Grant	2023	21.027	279,270	0
Total K12 School Safety Grant			279,270	0
Total U.S. Department of Treasury			**279,270**	**0**
TOTAL FEDERAL ASSISTANCE			**$ 26,948,743**	**$ 0**

See accompanying notes to the Schedule of Expenditures of Federal Awards

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - 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 D – FOOD DONATION PROGRAM

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

NOTE E – CONSORTIUM GRANT EXPENDITURES

During the fiscal year ended June 30, 2023, the District passed/transferred grant fund allocations to the Trumbull County Educational Service Center for Title III totaling $6,640.

NOTE F – TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to subsequent fiscal year's program. The District transferred the following amounts from 2022 to 2023 programs:

ARP ESSER	84.425U	22,749,019
ARP Homeless round 1	84.425W	138,090
ARP IDEA Part B Special Education	84.027X	134,479
ARP IDEA Early Childhood Special Education	84.173X	6,009
ARP-Homeless round II	84.425W	90,975
Title I-A Improving Basic Programs	84.010A	1,124,206
Title I-D Neglected	84.010A	11,572
Title I-D Delinquent	84.010A	8,528
Expanding Opportunities for Each Child Non-Competitive Grant	84.010A	62,750
Title II-A Supporting Effective Instruction	84.367A	67,916
Title IV-A Student Support and Academic Enrichment	84.424A	89,152
IDEA-B Special Education	84.027A	595,903
ESSER II	84.425D	911,802

Warren City School District
Trumbull County, Ohio
Schedule of Findings and Questioned Costs
2 CFR Section 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 control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other significant deficiency conditions reported at the financial statement level (GAGAS)?	None Reported
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiencies reported for major federal programs?	None Reported
(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 – COVID-19 & ARP-Education Stabilization Fund Tile I Grants to Local Educational Agencies	ALN # 84.425D/84.425U/84.425W 84.010A
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > $808,462 Type B: All others
(d) (1) (ix)	Low Risk Auditee under 2 CFR §200.520?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE
KEITH FABER

WARREN CITY SCHOOL DISTRICT

TRUMBULL COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/21/2024