OHIO AUDITOR OF STATE
KEITH FABER

WILLIAMSBURG LOCAL SCHOOL DISTRICT
CLERMONT COUNTY
JUNE 30, 2023

TABLE OF CONTENTS

WILLIAMSBURG LOCAL SCHOOL DISTRICT
CLERMONT COUNTY
JUNE 30, 2023

TABLE OF CONTENTS
(Continued)

OHIO AUDITOR OF STATE
KEITH FABER

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

INDEPENDENT AUDITOR'S REPORT

Williamsburg Local School District
Clermont County
549-A West Main Street
Williamsburg, Ohio 45176

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Williamsburg Local School District, Clermont County, Ohio (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 Williamsburg Local School District, Clermont County, Ohio as of June 30, 2023, and the respective changes in financial position thereof and the respective budgetary comparisons for the General fund and Elementary and Secondary School Emergency Relief (ESSER) fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio
March 25, 2024

This page intentionally left blank.

As management of the Williamsburg Local School District (the School District), we offer the readers of the School District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the additional information that we have provided in the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

- The assets and deferred outflows of resources of the School District exceeded its liabilities and deferred inflows of resources at June 30, 2023 by $7,594,885.
- The School District's net position increased $1,462,213 during this fiscal year's operations.
- General revenues accounted for $10,787,504 or 72 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions and interest accounted for $4,241,759 or 28 percent of total revenues of $15,029,263.
- The School District had $13,567,050 in expenses related to governmental activities; only $4,241,759 of these expenses were offset by program specific charges for services and sales, grants, contributions and interest.

Using the Basic Financial Statements

This report consists of a series of financial statements and notes to the basic financial statements. These statements are organized so the reader can understand the School District as a whole, an entire operating entity.

The statement of net position and the statement of activities provide information about the activities of the School District as a whole and present a longer term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term, as well as what remains for future spending. The fund financial statements also look at the School District's major funds, with all other nonmajor funds presented in total in one column. The major funds of the School District are the general fund, ESSER special revenue fund, and permanent improvement capital projects fund.

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2023?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These government-wide financial statements include all assets, liabilities, and deferred inflows/outflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in net position. The change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the School District's property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds.

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

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for the fiscal years ending June 30, 2023 and 2022:

(Table 1)
Net Position
Governmental Activities

	2023	2022
Assets		
Current and Other Assets	$12,352,142	$11,364,179
Capital Assets, Net	14,095,601	13,366,912
Total Assets	26,447,743	24,731,091
Deferred Outflows of Resources	2,864,018	2,749,493
Liabilities		
Current and Other Liabilities	1,598,179	1,273,652
Long-Term Liabilities	14,548,914	10,355,833
Total Liabilities	16,147,093	11,629,485
Deferred Inflows of Resources	5,569,783	9,718,427

(Table 1)
Net Position
Governmental Activities
(continued)

	2023	2022
Net Position		
Net Investment in Capital Assets	$12,300,945	$11,569,865
Restricted	1,886,138	1,017,751
Unrestricted (Deficit)	(6,592,198)	(6,454,944)
Total Net Position	$7,594,885	$6,132,672

Current and other assets increased between years, due primarily to an increase in intergovernmental receivables. The School District had an increase in reimbursable expenses, which resulted in the majority of the overall increase. Capital assets, net increased between years, due to additions in excess of depreciation expense and disposals. Deferred outflows increased between years, related to the change in proportionate share of the state-wide net pension liabilities. Current and other liabilities increased between years due primarily to an increase in accounts and contracts payable and due to increased accrued wages and benefits payable. Long-term liabilities increased between years, due primarily to an increase in the School District's proportionate share of the state-wide net pension liability. Deferred inflows decreased between years, related to the change in proportionate share of the state-wide net pension and OPEB liabilities (assets).

Table 2 shows the highlights of the School District's revenues and expenses. These two main components are subtracted to yield the change in net position. This table uses the full accrual method of accounting.

Revenue is divided into two major components: Program revenues and general revenues. Program revenues are defined as charges for services and sales and restricted operating grants, capital grants, contributions, and interest. General revenues include taxes and unrestricted grants, such as State foundation support, gifts and donations, investment earnings, and miscellaneous.

(Table 2)
Change in Net Position
Governmental Activities

	2023	2022
Revenues		
Program Revenues		
Charges for Services and Sales	$806,272	$816,552
Operating Grants, Contributions, and Interest	2,235,487	2,163,723
Capital Grants, Contributions, and Interest	1,200,000	0
Total Program Revenues	4,241,729	2,980,275
General Revenues		
Property Taxes	4,179,055	4,580,160
Payments in Lieu of Taxes	218,097	198,174
Grants and Entitlements not Restricted to Specific Programs	6,079,131	6,018,544
Gifts and Donations not Restricted to Specific Programs	2,330	0
Investment Earnings	211,603	(16,612)
Miscellaneous	97,288	140,356
Total General Revenues	10,787,504	10,920,622
Total Revenues	15,029,263	13,900,897
Program Expenses		
Instruction		
Regular	$6,025,153	$5,151,448
Special	1,872,101	1,583,870
Vocational	1,751	32,041
Support Services		
Pupils	544,455	469,127
Instructional Staff	179,059	160,143
Board of Education	46,167	43,464
Administration	978,136	699,339
Fiscal	450,211	406,232
Operation and Maintenance of Plant	1,528,898	1,168,586
Pupil Transportation	782,137	546,905
Central	216,449	143,945
Operation of Non-Instructional Services	221,983	241,253
Extracurricular Activities	679,555	534,323
Interest on Long-Term Debt	40,995	42,303
Total Expenses	13,567,050	11,222,979
Special Item	0	(629,260)
Change in Net Position	1,462,213	2,048,658
Net Position at Beginning of Year	6,132,672	4,084,014
Net Position at Ending of Year	$7,594,885	$6,132,672

Capital grants and contributions increased between years due to a donation for the School District's stadium project. Operating grants and contributions increased between years due to the timing of grant revenues. Property taxes decreased between years due to a decrease in amounts available for advance at year-end. Unrestricted grants and entitlements remained relatively unchanged. Miscellaneous revenues decreased between years due to large Ohio

Bureau of Worker's Compensation rebates and dividends received in the prior year. Investment earnings increased due to improvements in the economy following the COVID-19 pandemic.

The School District experienced an increase in regular and special instruction expenses, as well as administration support service expenses, due to increases in amounts recognized for pension and OPEB expense.

Governmental Activities

Grants and entitlements not restricted to specific programs made up 40 percent of total revenues for governmental activities of the School District for fiscal year 2023. Property taxes made up 28 percent of total revenues for governmental activities for a total of 68 percent of total revenues coming from property taxes and grants and entitlements not restricted to specific programs. Charges for services and sales and operating grants and contributions also comprised 5 percent and 15 percent, respectively. Capital grants and contributions comprised 8 percent.

Instruction comprises 58 percent of governmental program expenses, with regular instruction and special instruction comprising 44 percent and 14 percent, respectively, of program expenses. Support services expenses make up 35 percent of governmental program expenses.

The statement of activities shows the cost of program services and the charges for services and sales, grants, contributions and interest, capital grants, contributions and interest offsetting those services. In Table 3, the total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Net costs are costs that must be covered by unrestricted state aid (state foundation) or local taxes. The difference in these two columns would represent charges for services and sales, restricted grants, donations and restricted interest.

(Table 3)
Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Instruction	$7,899,005	$6,246,404	$6,767,359	$5,178,095
Support Services	4,725,512	3,836,984	3,637,741	2,886,737
Operation of Non-Instructional Services	221,983	42,441	241,253	(164,438)
Extracurricular Activities	679,555	(841,533)	534,323	300,007
Interest on Long-Term Debt	40,995	40,995	42,303	42,303
Total Expenses	$13,567,050	$9,325,291	$11,222,979	$8,242,704

The School District's Funds

Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of $15,460,051 and expenditures and other financing uses of $15,138,972. The net change in fund balance for the fiscal year was most significant in the permanent improvement fund, an increase of $791,800, due to the School District receiving a capital donation for the stadium. The general fund balance decreased $108,766, which is primarily due to a larger property tax amount available for advance recognized in the prior year as compared to the current year. The ESSER fund balance decreased $243,062 as expenditures exceeded revenues for the fiscal year.

General Fund - Budget Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. During the course of fiscal year 2023, the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures.

The School District's ending unobligated cash balance was $224,066 above the final budgeted amount in the general fund.

For the general fund, original budgeted revenues were $11,739,578 and final budgeted revenues were $11,439,213. This represents a decrease in estimated revenue of $300,365 due largely to a decrease in payments in expected intergovernmental revenue. The difference between actual budget basis revenues and final budget basis revenues was $40,848, due to interest and intergovernmental revenues being higher than expected.

Original budgeted expenditures and other financing uses in the general fund were $11,325,566 and final budgeted expenditures and other financing uses were $12,997,423. This represents an increase in estimated expenditures and other financing uses of $1,671,857. The difference between actual budget basis expenditures and other financing uses and final budgeted expenditures and other financing uses was $183,218, which was due primarily to advances out being lower than expected.

Capital Assets and Debt Administration

Capital Assets

The School District's investment in capital assets as of June 30, 2023 was $14,095,601. This investment in capital assets includes land, land improvements, buildings and improvements, furniture, fixtures and equipment, and vehicles. Table 4 shows fiscal year 2023 balances compared to fiscal year 2022:

(Table 4)
Capital Assets at June 30
(Net of Depreciation)
Governmental Activities

	2023	2022
Land	$830,100	$830,100
Construction in Progress	773,460	0
Land Improvements	748,573	769,950
Buildings and Improvements	10,692,459	10,977,852
Furniture, Fixtures and Equipment	582,380	422,804
Vehicles	400,171	366,206
Intangible Right to Use Leased Assets	68,458	0
Totals	$14,095,601	$13,366,912

Net capital assets increased $728,689 from the prior fiscal year. This was due to capital assets additions in excess of depreciation expense and disposals.

For more information on capital assets, refer to note 8 of the notes to the basic financial statements.

Debt

At June 30, 2023, the School District had $165,000 in bonds outstanding with $40,000 due within one year, and $1,505,000 in a financed purchase agreement outstanding with $175,000 due within one year. The School District also had $69,779 in leases payable with $15,463 due within one year. Table 5 summarizes the bonds and financed purchase agreement outstanding:

(Table 5)
Outstanding Debt at June 30
Governmental Activities

	2023	2022
Energy Conservation Bonds		
2012 Energy Conservation Bonds 1.150%-2.750%	$165,000	$205,000
Premium on Debt Issue	4,963	6,288
Financed Purchase Agreement	1,505,000	1,675,000
Leases Payable	69,779	0
Totals	$1,744,742	$1,886,288

The School District's overall legal debt margin was $13,620,606 with an unvoted debt margin of $151,340 and an energy conservation debt limit of $1,197,061 at June 30, 2023.

In March 2012, the School District issued energy conservation bonds for an energy efficiency project.

In June 2021, the School District entered into a financed purchase agreement for the purpose of improvements to School District facilities, including acquisition and installation of a new roof for the high school building.

In August 2022, the School District entered into a lease agreement for the purchase of copiers.

For more information on debt, refer to note 12 of the notes to the basic financial statements.

School District Challenges for the Future

The Williamsburg Local Schools Board of Education is committed to academic excellence and sound fiscal stewardship. The District currently receives about 57 percent of its general fund revenue as state support, with the balance coming from local real estate taxes, PUPP, and other local sources. As a small district, typically ranging between 950-1,000 students annually, this dual commitment can be extremely challenging to achieve.

However, this commitment was clearly demonstrated in FY23. In October the District received the Ohio School Report Card for School Year 2022-2023, being rated a 4.5 out of 5 stars. This recognizes Williamsburg Schools as one of the best districts in the region, let alone the county. Best yet, the District is also concurrently recognized as being in the bottom 20% statewide for cost per student. This means our students are receiving a top shelf education, and our taxpayers are receiving a strong value.

The District currently stands on firm financial footing. This is a result of several factors:

- **ESSER**: In response to the COVID-19 pandemic, the federal government provided financial support to schools nationwide via three rounds of Elementary and Secondary School Emergency Relief, or "ESSER". These federal funds have been especially impactful at Williamsburg Schools. It helped the District to offset the extra resources needed to respond to the pandemic, and funded some crucial capital projects. While ESSER funding is set to expire in September 2024 the District is in a good position to absorb those costs back into General Fund going forward.

- **Fair School Funding Plan (FSFP)**: After decades of unconstitutional school funding, as ruled by the Ohio Supreme Court, the state of Ohio finally implemented a court-approved solution with the Fair School Funding Plan (FSFP). This new funding strategy was initially rolled out in the prior biennium budget, HB110, for FY22 and FY23, wherein the district enjoyed some modest increases. With the new biennium budget passed in HB33, Williamsburg is slated to receive an additional $701K in FY24, and another $298K in FY25. These increases are crucial to the district keeping pace with inflation and maintaining its firm financial position.
- **Local Tax Growth**: After years of modest real estate value growth, the district is poised to see significant revenue growth next year. The district currently sits on the 20-mill floor, so any increases in RE valuation will be fully realized. Unfortunately, the amount of that growth is in flux with the advent of HB187 (see "Challenges" below). The district has taken a conservative approach, aligning revenue growth projections with HB187, reflecting a 22% increase in Class I revenue and 15.4% increase overall. In addition, PUPP valuations have also seen a sharp increase, over 52%. Thus, the district is in a strong position to receive much needed growth in tax revenues, and if HB187 does not come to fruition that increase could be substantially higher. This would put the District in a favorable position to offset inflation for several years.
- **Open Enrollment:** Williamsburg Local Schools have a strong reputation in our area. As a result, we consistently have a waiting list of parents wanting to educate their children in our district. We net approximately 100 students per year through open enrollment, which allows the District to gain additional revenue and fully absorb the cost of our staff and operational costs. This also provides flexibility for future growth, allowing the District to fill those open seats with open enrollment today and open them up to resident students in the future.
- **Economic Development**: For generations Williamsburg has largely been a "bedroom community". Real Estate taxes were mostly generated by Class I tax revenues, primarily residential. However, that changed dramatically in 2016 when the Clermont County Community Improvement Corporation purchased 242 acres of land within our district boundaries to be developed as the South Afton Industrial Park. Since then, the Park has become home to a large distribution center and soon a manufacturing plant for Nestle-Purina Petcare (currently 40% complete). The PILOT and TIF proceeds from this development are being set-aside for use on large scale capital projects within the District. Those revenues funded a new roof on our Middle/High School, and as Purina becomes fully operational the District intends to use those PILOT revenues to fund the local share (32%, with the State OFCC funding 68%) of a new Williamsburg Elementary School, replacing our current 60-year-old building. While these funds are not being used for General Fund operational needs of the District, they are crucial to sustaining academic excellence without placing undue burden on our taxpayers.
- **Fiscally Responsible Leadership**: It would be remiss to not mention the impact of stable and fiscally responsible district leadership. 60% of our Board of Education members have served multiple terms, and have a strong working knowledge of the district's finances. 100% of our Board Members strongly believe in being fiscally conservative. They demand we squeeze maximum value out of every dollar provided the district, regardless of the source of that revenue. This attitude permeates throughout the district, regardless of position or station. Everyone works as a team to provide the best possible education at the lowest possible cost. As mentioned earlier, the results speak for themselves.

All these factors have helped the District to keep pace with rampant post-pandemic inflation, and still deliver academic excellence. However, there are some challenges on the horizon that could negatively impact the District's financial position in upcoming years, including:

- **Inflation**: Post-pandemic double digit inflation on goods and services has impacted all school districts, including Williamsburg. As an organization with almost 80% of our annual expenses in staff, wage and benefit inflation can have an even bigger impact. Labor relations in our district have been amicable with all parties working for the best interest of students and realizing the resource challenges we face. We believe that as we move forward our positive working relationship will continue and will only grow stronger. These relationships will be tested in spring of 2025 as we negotiate new CBA's with both our Certified and Classified unions. The District realizes the importance of offering competitive wages to attract and retain talented staff, but of course that must be balanced within the constraints of our budget resources. Aside from those negotiations the District must also contend with benefit inflation, especially for our healthcare coverage. The School District is a member of Clermont County Insurance Consortium (CCIC), which is part of a larger consortium, EPC. This consortium helps us to mitigate benefit inflation, typically well below market average. Even with this group's buying power the district has incurred 6.5% rate inflation in CY2024 and projects additional 8% inflation year-over-year in upcoming years. The District will need revenue growth and/or cost reductions to keep pace with these inflationary factors.

- **Emergency Operating Levy**: In 2009 the District passed an Emergency Operating Levy generating $996,826 annually, for a period of five years. That levy was subsequently renewed in 2013 and 2018. This levy accounts for 7.5% of the District's overall general fund revenue. In November 2023 the District sought to replace that levy with a continuing Substitute Levy, but that levy failed. The Board has subsequently decided to place another renewal of the existing Emergency Levy on the Primary Ballot in March 2024. If the renewal of this levy is delayed, or worse yet not passed at all, it could have catastrophic consequences. We are optimistic the community will rally behind this renewal and avoid such.
- **HB187**: In October 2023 the Ohio House of Representatives passed House Bill (HB) 187, the Ohio Homeowners Relief Act. This legislation was aimed at reducing the impact of rapidly rising property values in Ohio, and the pending sharp tax increases facing homeowners in counties doing their triennial or sexennial valuations for tax year 2023 (for collection in 2024). Williamsburg Local Schools resides in one of those counties (Clermont). As of publication of this report HB187 is still under consideration in the Ohio Senate. If passed, it would substantially reduce the potential tax revenue increase the District would stand to receive in proceeding years. Furthermore, the passage of this legislation so late in the year could disrupt the county's billing and collection of those taxes, possibly creating cashflow challenges.
- **Fair School Funding Plan (FSFP) Phase-In**: While HB33 continued the phase-in of the FSFP, it is not guaranteed beyond FY25. State Revenues have been very strong the past few years, and the State's Rainy Day Fund stands at record highs, so all signs point to a full phase-in of the FSFP in the next state biennial budget. However, an economic downturn could cause state legislators to pump the brakes on the FSFP rollout and subsequently cause school districts financial tightening.

While these obstacles are significant, the Board, Administrators, Teachers, and Support Staff of Williamsburg Local School District welcome the challenge. We are committed to finding fresh and creative ways to maximize the value of every penny of revenue we receive and deliver a best-in-class education so our graduates are fully equipped to enter post-secondary education or the workforce.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Greg Wells, Treasurer, at Williamsburg Local School District, 549-A West Main Street, Williamsburg, Ohio 45176, or email at wells_g@burgschools.org.

This pages was intentionally left blank.

Williamsburg Local School District
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	$6,282,257
Accrued Interest Receivable	2,920
Accounts Receivable	42,125
Intergovernmental Receivable	866,332
Property Taxes Receivable	4,196,102
Net OPEB Asset	962,406
Nondepreciable Capital Assets	1,603,560
Depreciable Capital Assets, Net	12,492,041
Total Assets	26,447,743
Deferred Outflows of Resources	
Pension	2,578,258
OPEB	285,760
Total Deferred Outflows of Resources	2,864,018
Liabilities	
Accounts Payable	182,876
Accrued Wages and Benefits	1,043,947
Contracts Payable	139,155
Intergovernmental Payable	229,277
Accrued Interest Payable	2,924
Long-Term Liabilities:	
Due Within One Year	298,467
Due in More Than One Year	3,152,834
Net Pension Liability	10,500,975
Net OPEB Liability	596,638
Total Liabilities	16,147,093
Deferred Inflows of Resources	
Property Taxes Not Levied to Finance Current Year Operations	2,715,779
Pension	1,329,483
OPEB	1,524,521
Total Deferred Inflows of Resources	5,569,783
Net Position	
Net Investment in Capital Assets	12,300,945
Restricted For:	
Debt Service	376
Capital Outlay	1,390,449
Other Purposes	495,313
Unrestricted (Deficit)	(6,592,198)
Total Net Position	$7,594,885

See the accompanying notes to the basic financial statements.

Williamsburg Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2023

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest	Governmental Activities
Governmental Activities					
Instruction					
Regular	$6,025,153	$170,450	$474,381	$0	($5,380,322)
Special	1,872,101	72,965	924,677	0	(874,459)
Vocational	1,751	4,146	5,982	0	8,377
Support Services					
Pupils	544,455	10,282	300,004	0	(234,169)
Instructional Staff	179,059	4,055	15,477	0	(159,527)
Board of Education	46,167	1,212	0	0	(44,955)
Administration	978,136	24,348	5,000	0	(948,788)
Fiscal	450,211	11,974	0	0	(438,237)
Operation and Maintenance of Plant	1,528,898	36,156	324,218	0	(1,168,524)
Pupil Transportation	782,137	16,188	133,952	0	(631,997)
Central	216,449	5,662	0	0	(210,787)
Operation of Non-Instructional Services	221,983	179,372	170	0	(42,441)
Extracurricular Activities	679,555	269,462	51,626	1,200,000	841,533
Interest on Long-Term Debt	40,995	0	0	0	(40,995)
Total Governmental Activities	$13,567,050	$806,272	$2,235,487	$1,200,000	(9,325,291)
		General Revenues			
		Property Taxes Levied for General Purposes			4,179,055
		Payments in Lieu of Taxes			218,097
		Grants and Entitlements not Restricted to Specific Programs			6,079,131
		Gifts and Donations not Restricted to Specific Programs			2,330
		Investment Earnings			211,603
		Miscellaneous			97,288
		Total General Revenues			10,787,504
		Change in Net Position			1,462,213
		Net Position Beginning of Year			6,132,672
		Net Position End of Year			$7,594,885

See the accompanying notes to the basic financial statements.

Williamsburg Local School District
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	ESSER Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Investments	$4,103,002	$152,999	$1,479,690	$546,566	$6,282,257
Accrued Interest Receivable	2,920	0	0	0	2,920
Accounts Receivable	42,125	0	0	0	42,125
Interfund Receivable	790,277	0	0	0	790,277
Intergovernmental Receivable	0	574,687	0	291,645	866,332
Property Taxes Receivable	4,196,102	0	0	0	4,196,102
Total Assets	$9,134,426	$727,686	$1,479,690	$838,211	$12,180,013
Liabilities					
Accounts Payable	$53,047	$109,936	$0	$19,893	$182,876
Accrued Wages and Benefits	885,984	78,051	0	79,912	1,043,947
Contracts Payable	0	0	139,155	0	139,155
Interfund Payable	0	530,686	0	259,591	790,277
Intergovernmental Payable	172,909	11,021	0	45,347	229,277
Total Liabilities	1,111,940	729,694	139,155	404,743	2,385,532
Deferred Inflows of Resources					
Property Taxes not Levied to Finance Current Year Operations	2,715,779	0	0	0	2,715,779
Unavailable Revenue:					
Property Taxes	50,660	0	0	0	50,660
Grants	0	247,054	0	71,129	318,183
Total Unavailable Revenue	50,660	247,054	0	71,129	368,843
Total Deferred Inflows of Resources	2,766,439	247,054	0	71,129	3,084,622
Fund Balances					
Restricted	0	0	1,340,535	494,418	1,834,953
Committed	159,827	0	0	0	159,827
Assigned	137,630	0	0	0	137,630
Unassigned (Deficit)	4,958,590	(249,062)	0	(132,079)	4,577,449
Total Fund Balances	5,256,047	(249,062)	1,340,535	362,339	6,709,859
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$9,134,426	$727,686	$1,479,690	$838,211	$12,180,013

See the accompanying notes to the basic financial statements.

Williamsburg Local School District
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2023

Total Governmental Fund Balances		$6,709,859
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		14,095,601
Some of the School District's revenues will be collected after fiscal year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.		
Property taxes	50,660	
Intergovernmental	318,183	368,843
The net pension/OPEB liability (asset) is not due and payable (receivable) in the current period. Therefore, the liability (asset) and related deferred inflows/outflows are not reported		
Deferred outflows-pension	2,578,258	
Deferred outflows-OPEB	285,760	
Deferred inflows-pension	(1,329,483)	
Deferred inflows-OPEB	(1,524,521)	
Net pension liability	(10,500,975)	
Net OPEB asset	962,406	
Net OPEB liability	(596,638)	(10,125,193)
In the statement of activities, interest is accrued on outstanding bonds and financed purchase agreements, whereas in governmental funds, as interest expenditure is reported when due.		(2,924)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds payable	(165,000)	
Finaced purchase agreement	(1,505,000)	
Premiums on bonds	(4,963)	
Lease payable	(69,779)	
Compensated absences	(1,706,559)	(3,451,301)
Net Position of Governmental Activities		$7,594,885

See the accompanying notes to the basic financial statements.

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

	General Fund	ESSER Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	$4,172,139	$0	$0	$0	$4,172,139
Intergovernmental	6,816,318	395,672	0	784,118	7,996,108
Interest	204,756	0	0	0	204,756
Increase in Fair Market Value	6,847	0	0	0	6,847
Tuition and Fees	302,137	0	0	0	302,137
Rent	10,350	0	0	0	10,350
Extracurricular Activities	18,258	0	0	237,345	255,603
Gifts and Donations	8,490	0	1,200,000	44,466	1,252,956
Customer Sales and Services	40,240	0	0	197,942	238,182
Payments in Lieu of Taxes	218,097	0	0	0	218,097
Miscellaneous	92,094	0	3,400	1,794	97,288
Total Revenues	11,889,726	395,672	1,203,400	1,265,665	14,754,463
Expenditures					
Current					
Instruction					
Regular	5,204,283	346,544	0	64,557	5,615,384
Special	1,383,358	0	0	419,552	1,802,910
Vocational	1,090	0	0	4,043	5,133
Support Services					
Pupils	368,716	25,701	0	140,880	535,297
Instructional Staff	155,465	1,419	0	13,720	170,604
Board of Education	46,464	0	0	0	46,464
Administration	933,493	0	0	5,250	938,743
Fiscal	482,983	0	0	0	482,983
Operation and Maintenance of Plant	1,387,422	37,183	0	25,022	1,449,627
Pupil Transportation	621,168	108,205	0	0	729,373
Central	217,075	0	0	0	217,075
Operation of Non-Instructional Services	7,764	137	0	204,825	212,726
Extracurricular Activities	46,550	0	0	564,187	610,737
Capital Outlay	336,306	129,073	747,960	220,072	1,433,411
Debt Service					
Principal	222,371	0	0	0	222,371
Interest	42,696	0	0	0	42,696
Total Expenditures	11,457,204	648,262	747,960	1,662,108	14,515,534
Excess of Revenues Over (Under) Expenditures	432,522	(252,590)	455,440	(396,443)	238,929
Other Financing Sources (Uses)					
Transfers In	0	9,528	336,360	277,550	623,438
Inception of Lease	82,150	0	0	0	82,150
Transfers Out	(623,438)	0	0	0	(623,438)
Total Other Financing Sources (Uses)	(541,288)	9,528	336,360	277,550	82,150
Net Change in Fund Balances	(108,766)	(243,062)	791,800	(118,893)	321,079
Fund Balances (Deficits) Beginning of Year	5,364,813	(6,000)	548,735	481,232	6,388,780
Fund Balances (Deficits) End of Year	$5,256,047	($249,062)	$1,340,535	$362,339	$6,709,859

See the accompanying notes to the basic financial statements.

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

Net Change in Fund Balances - Total Governmental Funds		$321,079
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital asset additions	1,433,411	
Depreciation expense	(704,722)	728,689
Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.		
Delinquent property taxes	6,916	
Intergovernmental	267,884	274,800
Contractually required contributions are reported as expenditures in governmental funds. However, the statement of net position reports these amounts as deferred outflows.		
Pension	959,286	
OPEB	37,393	996,679
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	(983,663)	
OPEB	219,978	(763,685)
Governmental funds report premiums as expenditures, whereas these amounts are deferred and amortized in the statement of net position.		
Amortization of bond premium		1,325
Inception of leases are other financing sources in the governmental funds but the inception increases the long-term liabilities on the statement of net position.		
Inception of lease		(82,150)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current fiscal year, these amounts consist of:		
Principal retirement		222,371
In the statement of activities, interest accrued on outstanding bonds and the loss on refunding are amortized over the terms of the bonds, whereas in the governmental funds, the expenditure is reported when the bonds are issued:		
Increase in accrued interest		376
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Increase in compensated absences		(237,271)
Change in Net Position of Governmental Activities		$1,462,213

See the accompanying notes to the basic financial statements.

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

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$3,904,443	$3,827,228	$3,827,228	$0
Intergovernmental	7,183,775	6,809,056	6,827,696	18,640
Interest	22,000	182,396	204,604	22,208
Tuition and Fees	300,150	227,492	227,492	0
Rent	4,000	10,350	10,350	0
Gifts and Donations	0	2,330	2,330	0
Customer Sales and Services	18,640	47,440	47,440	0
Payments in Lieu of Taxes	215,000	218,097	218,097	0
Miscellaneous	91,570	114,824	114,824	0
Total Revenues	11,739,578	11,439,213	11,480,061	40,848
Expenditures				
Current				
Instruction				
Regular	5,208,515	5,141,161	5,141,174	(13)
Special	1,260,824	1,298,724	1,298,723	1
Vocational	35,899	6,383	6,383	0
Support Services				
Pupils	367,185	381,306	381,306	0
Instructional Staff	185,087	188,973	189,820	(847)
Board of Education	48,245	45,758	45,759	(1)
Administration	947,054	921,421	921,421	0
Fiscal	468,889	457,278	457,437	(159)
Operation and Maintenance of Plant	1,336,454	1,468,310	1,468,310	0
Pupil Transportation	577,750	618,590	618,589	1
Central	158,609	213,893	213,893	0
Operation of Non-Instructional Services	24,753	8,412	8,412	0
Extracurricular Activities	1,350	3,307	3,307	0
Capital Outlay	190,766	280,890	280,889	1
Debt Service				
Principal	210,000	222,371	222,371	0
Interest	4,186	42,696	42,696	0
Total Expenditures	11,025,566	11,299,473	11,300,490	(1,017)
Excess of Revenues Over Expenditures	714,012	139,740	179,571	39,831
Other Financing Uses				
Transfers Out	(300,000)	(723,438)	(723,438)	0
Advances Out	0	(974,512)	(790,277)	184,235
Total Other Financing Uses	(300,000)	(1,697,950)	(1,513,715)	184,235
Net Change in Fund Balance	414,012	(1,558,210)	(1,334,144)	224,066
Fund Balances Beginning of Year	4,793,467	4,793,467	4,793,467	0
Prior Year Encumbrances Appropriated	283,169	283,169	283,169	0
Fund Balances End of Year	$5,490,648	$3,518,426	$3,742,492	$224,066

See the accompanying notes to the basic financial statements.

Williamsburg Local School District

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$1,159,786	$173,689	$173,689	$0
Total Revenues	1,159,786	173,689	173,689	0
Expenditures				
Current				
Instruction				
Regular	277,171	277,171	284,299	(7,128)
Support Services				
Pupils	11,162	11,162	11,162	0
Operation and Maintenance of Plant	50,532	30,877	30,877	0
Pupil Transportation	825	825	120,552	(119,727)
Operation of Non-Instructional Services	137	137	137	0
Capital Outlay	282,072	301,727	457,227	(155,500)
Total Expenditures	621,899	621,899	904,254	(282,355)
Excess of Revenues Over (Under) Expenditures	537,887	(448,210)	(730,565)	(282,355)
Other Financing Sources				
Transfers In	9,528	9,528	9,528	0
Advances In	530,686	530,686	530,686	0
Total Other Financing Sources	540,214	540,214	540,214	0
Net Change in Fund Balance	1,078,101	92,004	(190,351)	(282,355)
Fund Balances Beginning of Year	(255,594)	(255,594)	(255,594)	0
Prior Year Encumbrances Appropriated	165,602	165,602	165,602	0
Fund Balances End of Year	$988,109	$2,012	($280,343)	($282,355)

See the accompanying notes to the basic financial statements.

Note 1 – Description of the District and Reporting Entity

Williamsburg Local School District (the School District) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and federal guidelines.

The School District was established in 1922. The School District serves an area of approximately 41 square miles. It is located in Clermont County and includes all of the Village of Williamsburg and portions of Williamsburg and Jackson Townships. The Board of Education controls the School District's two instructional support facilities staffed by 48 non-certified, 61 teaching personnel and 9 administrative employees providing education to 955 students.

Reporting Entity

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

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

The School District participates in two jointly governed organizations and two insurance purchasing pools. These organizations are discussed in notes 14 and 15 of the basic financial statements. These organizations are:

Jointly Governed Organizations:
- Hamilton Clermont Cooperative Information Technology Center
- U.S. Grant Joint Vocational School

Insurance Purchasing Pools:
- Clermont County Insurance Consortium
- Ohio SchoolComp Workers' Compensation Group Rating Plan

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The government-wide statements usually distinguish between those activities that are governmental and those that are considered business-type activities. The School District, however, has no activities which are reported as business-type activities.

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

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is reporting on major funds rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type, however, the School District has no fiduciary funds.

Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. All funds of the School District fall within one category: governmental.

Governmental Funds

Governmental funds are those through which most governmental functions of the School District are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred outflows of resources is reported as fund balance.

The following are the School District's major governmental funds:

General Fund - The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Elementary and Secondary School Emergency Relief (ESSER) Fund – The ESSER fund is a special revenue fund used to account for emergency relief grants to school districts 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 of staff, planning and coordination during long-term closure, and purchasing technology for students.

Permanent Improvement Fund - The permanent improvement fund is a fund provided to account for all transactions related to the acquiring, constructing, or improving of permanent improvements.

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

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 distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District has no fiduciary funds.

<u>Measurement Focus</u>

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred inflows of resources, liabilities, and deferred outflows of resources associated with the operation of the School District are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements

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

<u>Basis of Accounting</u>

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

Differences in the accrual and the modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, in the presentation of expenses versus expenditures, and the recording of net pension/OPEB liabilities (assets).

Revenue – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means that the amount of the transaction can be determined, and "available" means that the resources are collectible within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

Non-exchange transactions, in which the School 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 5.) 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 fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange 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, tuition and fees, interest and grants.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position and balance sheet report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and other post-employment benefits. These items are further explained in notes 9 and 10.

In addition to liabilities, the statement of net position and balance sheet report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources included property taxes, pension, other post-employment benefits, and unavailable revenue. Property taxes for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows of resources on the statement of net position and governmental fund balance sheet. Unavailable revenue is reported only on the governmental fund balance sheet and represents grants and entitlements and other resources not received within the available period and delinquent property taxes due at June 30, 2023. Deferred inflows of resources related to pension/OPEB are reported on the government-wide statement of net position and are further explained in notes 9 and 10.

Expenses/Expenditures

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

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

Cash and Investments

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

During fiscal year 2023, the School District invested in the State Treasury Asset Reserve of Ohio (STAR Ohio), money market funds, negotiable certificates of deposit, U.S. Treasury obligations, and U.S. government agency securities. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. The School District's money market funds are recorded at amounts reported by the respective financial institutions at June 30, 2023.

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

For fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. Twenty-four hours advanced noticed is appreciated for deposits and redemptions of $100 million or more. STAR Ohio reserves the right to limit the transaction to $250 million per day. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2023 amounted to $204,756. The School District also recognized an increase in the fair value of investments of $6,847 in the general fund.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as "equity in pooled cash and investments".

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors or laws of other governments, or imposed by law through constitutional provisions. The School District did not have restricted assets to report as of June 30, 2023.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed. The School District had no significant prepaid items to report as of June 30, 2023.

Capital Assets

All capital assets of the School District are general capital assets that are associated with governmental activities. General capital assets usually 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.

Capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of $2,500. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

Description	Estimated Lives
Land Improvements	5-20 years
Buildings and Improvements	25-80 years
Furniture, Fixtures and Equipment	5-20 years
Vehicles	8 years

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the amount "matured compensated absences payable" in the termination benefits fund, which is presented as part of the general fund for GAAP reporting purposes. The noncurrent portion of the liability is not reported. The School District reported no matured compensated absences payable at June 30, 2023.

Bond Premiums/Issuance Costs

In the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method.

On the governmental fund financial statements, bond premiums and issuance costs are recognized in the period when the debt is issued.

Net Position

Net position represents the difference between assets plus deferred outflows or resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for food service, music and athletic programs, and federal and state grants restricted to expenditures for specified purposes. The School District has no net position that is restricted by enabling legislation.

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

Fund Balances

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

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

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

Committed – This fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District's Board of Education. Those committed amounts cannot be used for any other purpose unless the School District's 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 School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts would represent intended uses established by the School District's Board of Education.

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

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

Internal Activity

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

Transfers within the governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

Short term interfund loans are classified as "interfund receivables" and "interfund payables". These amounts are eliminated in the governmental activities column of the statement of net position.

Estimates

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The School District did not have any extraordinary items to report for the fiscal year.

Budgetary Process

The budgetary process is prescribed by the provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of budgetary control has been established by the Board of Education at the fund/special cost center level for the general fund and at the fund level for all other funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund/special cost center.

The Clermont County Budget Commission has waived the requirement that school districts adopt and submit a tax budget. In lieu of the tax budget, school districts are required to submit bond fund balances.

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

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

Pensions/OPEB

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

Note 3 – Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget and actual - (budget basis) for the general fund and ESSER fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a restriction, commitment, or assignment of fund balance (GAAP basis).
4. 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 neediest kids, uniform school supplies, pre-school, centre, public school support, and termination benefits funds. These funds were excluded from the budgetary presentation for the general fund.

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the general fund and the ESSER fund.

Net Change in Fund Balance

	General	ESSER
GAAP Basis	($108,766)	($243,062)
Revenue Accruals	(369,146)	308,703
Expenditure Accruals	(680,346)	177,350
Encumbrances	(152,682)	(433,342)
(Excess) Deficit of Funds Combined with General Fund for Reporting Purposes	(23,204)	0
Budget Basis	($1,334,144)	($190,351)

<u>Note 4 – Deposits and Investments</u>

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

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

Inactive deposits are public deposits that the Board 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 bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio).
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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 School District and must be purchased with the expectation that it will be held to maturity.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2023, the School District's bank balance of $971,273 was either covered by FDIC or collateralized by the financial institution's public entity deposit pool in the manner described below.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

> Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
>
> Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of June 30, 2023, the School District had the following investments, which are in an internal investment pool:

	Fair Value	Credit Rating	Maturity	Percent of Total Investments
STAR Ohio	$4,035,395	AAAm	Less than one year	70.82%
First American Government Obligation Money Market Fund	32,491	AAAm	Less than one year	0.57%
Dreyfus Treasury Obligation CM Money Market Fund	148,877	AAAm	Less than one year	2.64%
Federal National Mortgage Assn.	45,399	AA+	One to two years	0.80%
Federal Farm Credit Discount Note	97,902	AA+	Less than one year	1.72%
Federal Farm Credit Bank	169,280	AA+	Less than one year	2.97%
Federal Home Loan Mortgage Corp	147,799	AA+	Less than one year	2.60%
Federal Home Loan Mortgage Corp.	63,315	AA+	One to two years	1.11%
Federal Home Loan Bank	97,762	AA+	Less than one year	1.72%
Federal Home Loan Bank	39,614	AA+	Three to five years	0.70%
U.S. Treasury Notes	146,781	AA+	Less than one year	2.58%
Negotiable Certificates of Deposit	199,335	N/A	Less than one year	3.50%
Negotiable Certificates of Deposit	471,164	N/A	One to two years	8.27%
Total Investments	$5,695,114			100.00%

The School 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. The above table identifies the School District's recurring fair value measurement as of June 30, 2023. As previously discussed, STAR Ohio is reported at its net asset value. All other investments of the School District are valued using quoted market prices (Level 1 inputs).

Interest Rate Risk – The School District has no investment policy that addresses interest rate risk beyond the requirements of state statute. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk – The School District has no investment policy that addresses credit risk.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the School District's securities are either insured and registered in the name of the School District or at least registered in the name of the School District. The School District has no investment policy dealing with investment custodial credit risk beyond the requirements in state statute that prohibit payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk – The School District places no limit on the amount it may invest in any one issuer. However, the School District does diversify for protection of assets in a responsible manner.

Note 5 – Property Taxes

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

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

Public utility property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2023 became a lien on December 31, 2021, were levied after April 1, 2022, and are collected in calendar year 2023 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 School District receives property taxes from Clermont and Brown Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility 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 reflected as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

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

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

	2022 Second-Half Collections		2023 First-Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	$141,605,180	94.28%	$142,940,510	94.45%
Public Utility Personal	8,593,730	5.72%	8,399,560	5.55%
Total Assessed Value	$150,198,910	100.00%	$151,340,070	100.00%
Tax rate per $1,000 of assessed value	$44.16		$44.08	

Note 6 - Receivables

Receivables at June 30, 2023, consisted of accrued interest, accounts, intergovernmental, interfund, and property taxes. All receivable amounts, except delinquent property taxes, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. The intergovernmental receivables are as follows:

Major Fund:	
ESSER	$574,687
Nonmajor Funds:	
High Schools That Work	5,930
Title VI-B	75,503
Title I	201,319
Title II-A	8,893
Total Nonmajor Funds	291,645
Total All Funds	$866,332

Note 7 – Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023, the School District contracted with commercial carriers for property and fleet insurance, liability insurance and inland marine coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant changes in coverage from the prior year.

Workers' Compensation

For fiscal year 2023, the School District participated in the Ohio SchoolComp Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (see note 15). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sedgwick, Inc. provides administrative, cost control, and actuarial services to the GRP.

Employee Benefits

For fiscal year 2023, the School District participated in the Clermont County Insurance Consortium (the Consortium), a group insurance purchasing pool (see note 15), in order to provide dental, life, medical, and disability benefits to employees, their dependents and designated beneficiaries and to set aside funds for such purposes. The Directors provides insurance policies in whole or in part through one or more group insurance policies.

Note 8 – Capital Assets

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

	Balance at 6/30/22	Additions	Disposals	Balance at 6/30/23
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	$830,100	$0	$0	$830,100
Construction in Progress	0	773,460	0	773,460
Total Capital Assets Not Being Depreciated	830,100	773,460	0	1,603,560
Capital Assets Being Depreciated:				
Land Improvements	2,758,254	76,387	0	2,834,641
Buildings and Improvements	17,664,659	169,060	0	17,833,719
Furniture, Fixtures, and Equipment	2,170,888	240,326	(6,877)	2,404,337
Vehicles	1,154,421	92,028	(60,850)	1,185,599
Intangible Right to Use Leased Assets*	0	82,150	0	82,150
Total Capital Assets Being Depreciated	23,748,222	659,951	(67,727)	24,340,446
Less Accumulated Depreciation				
Land Improvements	(1,988,304)	(97,764)	0	(2,086,068)
Buildings and Improvements	(6,686,807)	(454,453)	0	(7,141,260)
Furniture, Fixtures, and Equipment	(1,748,084)	(80,750)	6,877	(1,821,957)
Vehicles	(788,215)	(58,063)	60,850	(785,428)
Intangible Right to Use Leased Assets*	0	(13,692)	0	(13,692)
Total Accumulated Depreciation	(11,211,410)	(704,722)	67,727	(11,848,405)
Total Capital Assets Being Depreciated, Net	12,536,812	(44,771)	0	12,492,041
Governmental Activities Capital Assets, Net	$13,366,912	$728,689	$0	$14,095,601

*Of the current year depreciation total of $704,722, $13,692 is presented as regular instruction and administration expenses on the statement of activities related to the School District's intangible asset of copiers, which is included as an Intangible Right to Use Lease.

Depreciation was charged to the following governmental functions:

Instruction:	
Regular	$450,708
Special	7,994
Pupils	2,478
Support Services:	
Instructional Staff	8,760
Administration	4,518
Operation and Maintenance of Plant	84,544
Pupil Transportation	58,063
Operation of Non-Instructional Services	12,059
Extracurricular Activities	75,598
Total Depreciation Expense	$704,722

Note 9 – 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/OPEB liability (asset) reported on the statement of net position represents a liability to (asset for) employees for pensions/OPEB. 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 net pension/OPEB liability (asset) represents the School District's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, 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 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/OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the required pension disclosures. See note 10 for the required OPEB disclosures.

School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

The School District's contractually required contributions to SERS were $290,351 for fiscal year 2023. Of this amount, $46,500 was reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other certified faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS 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 Plan. Benefits are established by Ohio Revised Code Chapter 3307.

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

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

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 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 percent was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The School District's contractually required contributions to STRS were $668,935 for fiscal year 2023. Of this amount, $129,728 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability Current Measurement Date	0.04138560%	0.037168120%	
Proportion of the Net Pension Liability Prior Measurement Date	0.03910960%	0.037531119%	
Change in Proportionate Share	0.00227600%	-0.000362999%	
Proportionate Share of the Net Pension Liability	$2,238,455	$8,262,520	$10,500,975
Pension Expense	$107,665	$875,998	$983,663

The remainder of this page was intentionally left blank.

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$90,661	$105,771	$196,432
Changes of assumptions	22,087	988,775	1,010,862
Net difference between projected and actual earnings on pension plan investments	0	287,519	287,519
Changes in proportion and differences between School District contributions and proportionate share of contributions	80,168	43,991	124,159
School District contributions subsequent to the measurement date	290,351	668,935	959,286
Total Deferred Outflows of Resources	$483,267	$2,094,991	$2,578,258
Deferred Inflows of Resources			
Differences between expected and actual experience	$14,695	$31,608	$46,303
Changes of assumptions	0	744,264	744,264
Net difference between projected and actual earnings on pension plan investments	78,113	0	78,113
Changes in proportion and differences between School District contributions and proportionate share of contributions	19,143	441,660	460,803
Total Deferred Inflows of Resources	$111,951	$1,217,532	$1,329,483

$959,286 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the 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	$30,806	($119,602)	($88,796)
2025	31,933	(208,193)	(176,260)
2026	(111,583)	(301,637)	(413,220)
2027	129,809	837,956	967,765
Total	$80,965	$208,524	$289,489

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$3,294,899	$2,238,455	$1,348,415

Actuarial Assumptions - STRS

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

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

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

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$12,481,660	$8,262,520	$4,694,434

Note 10 – Defined Benefit OPEB Plans

See note 9 for a description of the net OPEB liability (asset).

School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund 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 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the School District's surcharge obligation was $37,393.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS for health care was $37,393 for fiscal year 2023. Of this amount, $37,393 was reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

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

Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset)			
Current Measurement Date	0.04249530%	0.037168120%	
Proportion of the Net OPEB Liability (Asset)			
Prior Measurement Date	0.04007940%	0.037531119%	
Change in Proportionate Share	0.00241590%	-0.000362999%	
Proportionate Share of the Net			
OPEB Liability	$596,638	$0	$596,638
Proportionate Share of the Net			
OPEB Asset	$0	($962,406)	($962,406)
OPEB Expense (Gain)	($55,855)	($164,123)	($219,978)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$5,016	$13,953	$18,969
Changes of assumptions	94,903	40,995	135,898
Net difference between projected and actual earnings on pension plan investments	3,101	16,752	19,853
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	51,914	21,733	73,647
School District contributions subsequent to the measurement date	37,393	0	37,393
Total Deferred Outflows of Resources	$192,327	$93,433	$285,760
Deferred Inflows of Resources			
Differences between expected and actual experience	$381,653	$144,530	$526,183
Changes of assumptions	244,925	682,438	927,363
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	68,878	2,097	70,975
Total Deferred Inflows of Resources	$695,456	$829,065	$1,524,521

$37,393 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or increase in the net OPEB 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	($135,096)	($211,428)	($346,524)
2025	(130,155)	(208,069)	(338,224)
2026	(110,011)	(102,619)	(212,630)
2027	(68,834)	(43,451)	(112,285)
2028	(41,769)	(56,232)	(98,001)
Thereafter	(54,657)	(113,833)	(168,490)
Total	($540,522)	($735,632)	($1,276,154)

Actuarial Assumptions - SERS

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

Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

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

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
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 percent. The discount rate used to measure total OPEB liability at June 30, 2021 was 2.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69 percent at June 30, 2022 and 1.92 percent at June 30, 2021.

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

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
School District's proportionate share of the net OPEB liability	$741,034	$596,638	$480,072

	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	$460,115	$596,638	$774,960

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation and the June 30, 2021, actuarial valuation are presented below:

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

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

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

For 2021, healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and

100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

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

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

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	($889,719)	($962,406)	($1,024,669)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	($998,249)	($962,406)	($917,163)

Note 11 – Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Eligible classified employees earn 10 to 20 days of vacation per fiscal year, depending upon length of service. Teachers do not earn vacation time. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment.

Teachers, administrators, and non-certified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 230 days for all employees. For non-certified employees, upon retirement, payment is made for 25 percent of accrued, but unused sick leave credit to a maximum of 62.5 days. If certified employees do not elect retirement in their first year of eligibility, payment is made for 25 percent (one payment) or 35 percent (two payments) of accrued, but unused sick leave credit to a maximum of 75 and 105 days, respectively.

Note 12 – Long-Term Obligations

The changes in the School District's long-term obligations during fiscal year 2023 were as follows:

	Amount Outstanding 6/30/22	Additions	Deductions	Amount Outstanding 6/30/23	Amounts Due Within One Year
Governmental Activities					
2012 Energy Conservation Bonds – 1.150%-2.750%	$205,000	$0	($40,000)	$165,000	$40,000
Premium on Debt Issue	6,288	0	(1,325)	4,963	0
Total Long-Term Bonds	211,288	0	(41,325)	169,963	40,000
2021 Financed Purchase Agreement	1,675,000	0	(170,000)	1,505,000	175,000
2023 Lease Payable	0	82,150	(12,371)	69,779	15,463
Compensated Absences	1,469,288	566,930	(329,659)	1,706,559	68,004
Net Pension Liability	6,241,722	4,259,253	0	10,500,975	0
Net OPEB Liability	758,535	0	(161,897)	596,638	0
Total Governmental Activities Long-Term Obligations	$10,355,833	4,908,333	($715,252)	$14,548,914	$298,467

Energy Conservation Bonds – In March 2012, the School District received $544,869 in loan proceeds, which included $19,869 in premiums, for an energy efficiency project. The bonds carry coupon rates between 1.15 percent and 2.75 percent for a 15-year period with the final payment due in fiscal year 2027. The bonds will be repaid from the general fund.

Compensated absences will be paid from the termination benefits fund, which has been presented as part of the general fund for GAAP reporting purposes. The School District pays obligations related to employee compensation from the fund benefitting from their service.

Financed Purchase – In June 2021, the School District entered into a financed purchase agreement for the purpose of improvements to School District facilities, including acquisition and installation of a new roof for the high school building. This agreement was entered into for an amount up to $1,845,000 and carries a 2.15% interest rate and a final maturity date of December 1, 2030. This lease-purchase agreement is a general obligation of the School District. This agreement met the criteria of a financed purchase which is defined as a financed purchase which transfers ownership to the lessee. Financed purchase payments are reflected as debt expenditures in the fund financial statements. Principal payments made during the fiscal year totaled $170,000 and were made from the permanent improvement fund.

The School District's overall legal debt margin was $13,620,606 with an unvoted debt margin of $151,340 and an energy conservation debt limit of $1,197,061 at June 30, 2023.

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

Fiscal Year	Energy Conservation Bonds		Financed Purchase Agreement	
Ending June 30	Principal	Interest	Principal	Interest
2024	$40,000	$4,537	$175,000	$30,477
2025	40,000	3,437	180,000	26,660
2026	40,000	2,337	180,000	22,790
2027	45,000	1,237	185,000	18,866
2028	0	0	190,000	14,835
2029-2031	0	0	595,000	19,296
Total	$165,000	$11,548	$1,505,000	$132,924

Lease Payable – In May 2022, the School District entered into a lease agreement for the purchase of copiers. This agreement was entered into for the amount of $82,150 and carries a 5% interest rate. This lease meets the criteria of a lease thus requiring it to be recorded by the School District. A summary of the principal and interest amounts for the remaining lease is as follows:

Fiscal Year Ending June 30	Principal	Interest
2024	$15,463	$3,489
2025	16,236	2,716
2026	17,048	1,904
2027	17,900	1,052
2028	3,132	27
Total	$69,779	$9,188

Note 13 – Set-Aside Calculations

The School District is required by state statute to annually set aside, in the general fund, an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

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

	Capital Acquisitions
Set-Aside Balance as of June 30, 2022	$98,850
Current Fiscal Year Set-Aside Requirement	219,976
Qualifying Disbursements	(318,826)
Totals	$0
Set-Aside Balance Carried Forward to Future Fiscal Years	$0
Set-Aside Balance as of June 30, 2023	$0

Amounts of offsets presented in the table for the capital acquisition set-asides were limited to those necessary to reduce the year-end balance to zero. Although the School District may have had additional offsets and qualifying expenditures for capital acquisitions, these amounts may not be used to reduce the set-aside requirements of future fiscal years and therefore is not presented as being carried forward to the next fiscal year.

Note 14 – Jointly Governed Organizations

Hamilton Clermont Cooperative Information Technology Center

The School District is a participant in a two-county consortium of school districts to operate the Hamilton Clermont Cooperative Information Technology Center (HCC). HCC is an association of public districts in a geographic area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The Board of HCC consists of one representative from each of the participating members. The School District paid $98,923 for services provided during the fiscal year. Complete financial statements for HCC can be obtained from David Downs, Executive Director, at their administrative offices at 1007 Cottonwood Drive, Loveland, Ohio 45140.

U.S. Grant Joint Vocational School

The U.S. Grant Joint Vocational School 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 four participating school districts' elected boards with an additional representative rotated among the four schools. The Vocational School possesses its own budgeting and taxing authority. To obtain financial information write to the U.S. Grant Joint Vocational School, Kelly Sininger, who serves as Treasurer, at 718 West Plane Street, Bethel, Ohio 45106.

Note 15 – Insurance Purchasing Pools

Clermont County Insurance Consortium

The Williamsburg Local School District is a member of the Clermont County Insurance Consortium, an insurance purchasing pool. A number of Clermont County school districts and the Clermont County Educational Service Center have entered into an agreement to form the Clermont County Insurance Consortium. The overall objectives of the Consortium are to formulate and administer a program of health, dental, life, and/or other insurance benefits for the Consortium members' employees and their dependents. The Consortium's business and affairs are managed by a Board of Directors, consisting of the superintendents (or their designees) from each of the participating school districts and the educational service center.

The School District pays premiums based on what the Consortium estimates will cover the costs of all claims for which the Consortium is obligated. If the School District's claims exceeded its premiums, there is no individual supplemental assessment; on the other hand, if the School District's claims are low, it will not receive a refund. The

Consortium views its activities in the aggregate, rather than on an individual entity basis. To obtain financial information, write to the current fiscal agent, Clermont County Educational Service Center at 2400 Clermont Center Drive, Suite 100, Batavia, Ohio 45103.

On January 1, 2017, Clermont County Insurance Consortium joined the Southwestern Ohio Educational Purchasing Council (EPC) for health, dental, vision, and life insurances. The Clermont County Insurance Consortium is no longer self-funded as of January 1, 2017. The Southwestern Ohio Educational Purchasing Council (EPC) is a council of governments with over 40 years of service experience, pooling the purchase power of 180 Ohio School Districts. All insurances operate as if they are a fully insured plan where districts pay an annual premium (as determined by EPC) for their coverages. As of January 1, 2017 districts pay monthly premiums directly to EPC.

Ohio SchoolComp Workers' Compensation Group Rating Plan

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio SchoolComp Workers' Compensation Group Rating Plan (GRP) was established as a group insurance purchasing pool. The GRP's business and affairs are conducted by a five member Board of Directors. Each fiscal year, the participants pay an enrollment fee to the GRP to cover the costs of administering the program.

Note 16 – Interfund Activity

Interfund Transfers

Transfers made during the fiscal year ended June 30, 2023 were as follows:

	Transfers To	Transfers From
Major Funds:		
General Fund	$0	$623,438
ESSER	9,528	0
Permanent Improvement	336,360	0
Nonmajor Funds:		
Student Activities	47,000	0
Athletics	230,000	0
Miscellaneous State Grants	550	0
Total Nonmajor Funds	277,550	0
Total All Funds	$623,438	$623,438

Transfers were made from the general fund to move unrestricted balances to support programs and projects accounted for in other funds.

Interfund Receivables/Payables

At June 30, 2023, the School District had the following outstanding interfund balances:

	Receivables	Payables
Major Funds:		
General Fund	$790,277	$0
ESSER		530,686
Nonmajor Funds:		
Food Service Fund	0	22,098
OHSAA Fund	0	2,163
High Schools That Work	0	6,425
Title VI-B	0	44,679
Title I	0	175,333
Improving Teacher Quality	0	8,893
Total Nonmajor Funds	0	259,591
Total All Funds	$790,277	$790,277

The general fund advanced funds to the ESSER fund and other nonmajor special revenue funds in anticipation of grant revenues. These funds are expected to be repaid in the subsequent fiscal year.

Note 17 - Contingencies

Litigation

The School District is not currently party to legal proceedings.

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2023.

State Foundation Funding

School district foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2023 have not been finalized. Management believes additional adjustments will result in either a receivable or payable to the School District.

Note 18 – Fund Balances

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

	General Fund	ESSER Fund	Permanent Improvement Fund	Nonmajor Funds	Total Governmental Funds
Restricted for					
Other Purposes	$0	0	$0	$143,490	$143,490
Capital Improvements	0	0	1,340,535	0	1,340,535
Athletics	0	0	0	153,762	153,762
Student Wellness and Success	0	0	0	197,166	197,166
Total Restricted	0	0	1,340,535	494,418	1,834,953
Committed for					
Severance Benefits	159,827	0	0	0	159,827
Total Committed	159,827		0	0	159,827
Assigned to					
Student and Staff Support	15,331	0	0	0	15,331
Other Purposes	122,299	0	0	0	122,299
Total Assigned	137,630		0	0	137,630
Unassigned (Deficit)	4,958,590	(249,062)	0	(132,079)	4,577,449
Total Fund Balances	$5,256,047	($249,062)	$1,340,535	$362,339	$6,709,859

Note 19 - Encumbrances

At June 30, 2023, the School District had significant encumbrance commitments in governmental funds as follows:

Major Funds:	
General	$152,517
ESSER	433,342
Permanent Improvement	758,805
Nonmajor Funds:	
Athletics	11,846
Miscellaneous State Grants	20,735
Title VI-B	49,220
Miscellaneous Federal Grants	60,407

Note 20 – Accountability and Compliance

Accountability

The following funds had deficit fund balances as of June 30, 2023:

Major Funds	
ESSER	$249,062
Nonmajor Funds:	
Lunchroom	59,682
OHSAA Fund	2,163
Title VI-B	30,824
Title I	39,410

These deficits resulted from payables recorded in accordance with generally accepted accounting principles. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Compliance

Contrary to Ohio Revised Code 5705.41(B), the School District had expenditures in excess of appropriations for the ESSER fund in the amount of $282,355.

Note 21 – 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 School District received COVID-19 funding. The School District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Note 22 – New Accounting Pronouncements and Restatement of Balances

New Accounting Pronouncements

For fiscal year 2023, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, "Subscription-Based Information Technology Arrangements".

GASB Statement No. 96 provides accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs). It is based on the standards established in Statement 87, "Leases". It:

- Defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction;
- Requires governments with SBITAs to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability (with an exception for short-term SBITAs—those with a maximum possible term of 12 months); and
- Provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA.

These changes were considered in the preparation of the School District's 2023 financial statements; however, there was no effect on beginning net position/fund balance nor was note disclosure presentation required.

Note 23 – Tax Abatements Entered Into By Other Governments

Williamsburg Township, Clermont County, (the Township) has entered into an Enterprise Zone Agreement (EZA) with property owners located within the taxing district of the School District. EZAs provide for property tax abatements to encourage job growth and economic development in the Township. The EZA provides for direct incentive property tax exemptions benefiting property owners who renovate or construct new buildings. As a result of the EZA, the School District's property taxes were reduced by $55,226 during fiscal year 2023. The School District received $218,097 in compensation payments associated with the forgone property tax revenue.

Note 24 – Prior Year Revenues and Expenditures Not Previously Reported

In fiscal year 2022, $260,400 in grant awards under the Emergency Connectivity Fund federal and state programs were spent on behalf of the School District. These funds were not reported in the fiscal year 2022 financial statements.

This page was intentionally left blank.

Williamsburg Local School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
State Teachers Retirement System										
School District's proportion of the net pension liability	0.035199859%	0.035199859%	0.036060140%	0.036367690%	0.037294290%	0.038820370%	0.039974390%	0.037884700%	0.037531119%	0.037168120%
School District's proportionate share of the net pension liability	$10,198,789	$8,561,824	$9,965,968	$12,173,362	$8,859,339	$8,535,728	$8,840,096	$9,166,749	$4,798,691	$8,262,520
School District's covered payroll	$3,623,400	$3,633,715	$3,700,686	$3,946,743	$4,164,057	$4,462,143	$4,713,207	$4,031,471	$4,218,421	$4,416,636
School District's proportionate share of the net pension liability as a percentage of its covered payroll	281.5%	235.6%	269.3%	308.4%	212.8%	191.3%	187.6%	227.4%	113.8%	187.1%
Plan fiduciary net position as a percentage of the total pension liability	69.3%	74.7%	72.1%	66.8%	75.3%	77.3%	77.4%	75.5%	87.8%	78.9%
School Employees Retirement System										
School District's proportion of the net pension liability	0.040956991%	0.040956991%	0.043324700%	0.043540300%	0.042776200%	0.041786000%	0.041109800%	0.040224000%	0.039109600%	0.041385600%
School District's proportionate share of the net pension liability	$2,435,581	$2,072,810	$2,472,149	$3,186,748	$2,555,783	$2,393,162	$2,459,671	$2,660,500	$1,443,031	$2,238,455
School District's covered payroll	$1,084,566	$1,170,007	$1,280,918	$1,316,400	$1,377,943	$1,293,170	$1,318,185	$1,305,021	$1,243,450	$1,501,714
School District's proportionate share of the net pension liability as a percentage of its covered payroll	224.6%	177.2%	193.0%	242.1%	185.5%	185.1%	186.6%	203.9%	116.1%	149.1%
Plan fiduciary net position as a percentage of the total pension liability	65.5%	71.7%	69.2%	63.0%	69.5%	71.4%	70.9%	68.6%	82.9%	75.8%

The amounts presented are as of the School District's measurement date, which is the prior fiscal year end.
See accompanying notes to the required supplementary information.

Williamsburg Local School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)
Last Seven Fiscal Years

	2017	2018	2019	2020	2021	2022	2023
State Teachers Retirement System							
School District's proportion of the net OPEB liability (asset)	0.036367690%	0.037294300%	0.038820400%	0.039974390%	0.037884700%	0.037531119%	0.037168120%
School District's proportionate share of the net OPEB liability (asset)	$1,994,508	$1,455,086	($623,804)	($662,072)	($665,823)	($791,313)	($962,406)
School District's covered payroll	$3,946,743	$4,164,057	$4,462,143	$4,713,207	$4,031,471	$4,218,421	$4,416,636
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	50.5%	34.9%	-14.0%	-14.0%	-16.5%	-18.8%	-21.8%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	37.3%	47.1%	176.0%	174.7%	182.1%	174.7%	230.7%
School Employees Retirement System							
School District's proportion of the net OPEB liability	0.043540300%	0.043393400%	0.042386100%	0.041966300%	0.041627900%	0.040079400%	0.042495300%
School District's proportionate share of the net OPEB liability	$1,236,872	$1,164,565	$1,175,905	$1,055,364	$904,711	$758,535	$596,638
School District's covered payroll	$1,316,400	$1,377,943	$1,293,170	$1,318,185	$1,305,021	$1,243,450	$1,501,714
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	94.0%	84.5%	90.9%	80.1%	69.3%	61.0%	39.7%
Plan fiduciary net position as a percentage of the total OPEB liability	11.5%	12.5%	13.6%	15.6%	18.2%	24.1%	30.3%

The amounts presented are as of the School District's measurement date, which is the prior fiscal year end.
Information not available prior to 2017.
See accompanying notes to the required supplementary information.

Williamsburg Local School District
Required Supplementary Information
Schedule of School District Contributions
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
State Teachers Retirement System										
Contractually required contribution - pension	$472,383	$518,096	$552,544	$582,968	$624,700	$659,849	$564,406	$590,579	$618,329	$668,935
Contractually required contribution - OPEB	36,337	0	0	0	0	0	0	0	0	0
Contractually required contribution - total	508,720	518,096	552,544	582,968	624,700	659,849	564,406	590,579	618,329	668,935
Contributions in relation to the contractually required contribution	508,720	518,096	552,544	582,968	624,700	659,849	564,406	590,579	618,329	668,935
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
School District's covered payroll	$3,633,715	$3,700,686	$3,946,743	$4,164,057	$4,462,143	$4,713,207	$4,031,471	$4,218,421	$4,416,636	$4,778,107
Contributions as a percentage of covered payroll - pension	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered payroll - OPEB	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
School Employees Retirement System										
Contractually required contribution - pension	$162,163	$168,825	$184,296	$192,912	$174,578	$177,955	$182,703	$174,083	$210,240	$290,351
Contractually required contribution - OPEB (1)	1,638	10,504	0	0	6,466	6,591	0	0	0	0
Contractually required contribution - total	163,801	179,329	184,296	192,912	181,044	184,546	182,703	174,083	210,240	290,351
Contributions in relation to the contractually required contribution	163,801	179,329	184,296	192,912	181,044	184,546	182,703	174,083	210,240	290,351
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
School District's covered payroll	$1,170,007	$1,280,918	$1,316,400	$1,377,943	$1,293,170	$1,318,185	$1,305,021	$1,243,450	$1,501,714	$2,073,936
Contributions as a percentage of covered payroll - pension	13.86%	13.18%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered payroll - OPEB	0.14%	0.82%	0.00%	0.00%	0.50%	0.50%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

(1) Excludes surcharge.
See accompanying notes to the required supplementary information.

This page was intentionally left blank.

State Teachers Retirement System

Pension

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2015 through 2017. For fiscal year 2018, the cost of living adjustment (COLA) was reduced to 0 percent effective July 1, 2017. There were no changes to benefit terms for fiscal years 2019 through 2023.

Changes in assumptions

There were no changes in assumptions for fiscal years 2015 through 2017.

For fiscal year 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Inflation assumptions were lowered from 2.75 percent to 2.5 percent.
- Investment return assumptions were lowered from 7.75 percent to 7.45 percent.
- Total salary increases rates were lowered by decreasing merit component of the individual salary increases, as well as by 0.25 percent due to lower inflation.
- Payroll growth assumptions were lowered from 3.5 percent to 3.0 percent.
- Updated the health and disability mortality assumption to the RP-2014 mortality tables with generational improvement scale MP-2016.
- Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

There were no changes in assumptions for fiscal years 2019 through 2021.

For fiscal year 2022, the following was the most significant change of assumptions that affected the total pension liability since the prior measurement date:

- Investment rate of return and discount rate of return assumptions were lowered from 7.45 percent to 7.0 percent.

For fiscal year 2023, the following was the most significant change of assumptions that affected the total pension liability since the prior measurement date:

- Updated the health and disability mortality assumption to the PUB-2010 mortality tables with generational improvement scale MP-2020.

OPEB

Changes in benefit terms

There were no changes to benefit terms for fiscal year 2017.

For fiscal year 2018, STRS has the following changes in benefit terms since the previous measurement date:

- The HealthSpan HMO plans were eliminated.
- The subsidy multiplier for non-Medicare benefit recipients was reduced to 1.9 percent per year of service from 2.1 percent.
- Medicare Part B premium reimbursements were discontinued for survivors and beneficiaries who were age 65 by 2008 and either receiving a benefit or named as a beneficiary as of January 1, 2008.
- The remaining Medicare Part B premium reimbursements will be phased out over a three-year period.

For fiscal year 2019, the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The subsidy multiplier for non-Medicare benefit recipients increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020, though the STRS Board voted in June 2019 to extent the current Medicare Part B partial reimbursement for one year.

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

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

For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

There were no changes to benefit terms for fiscal year 2023.

<u>Changes in assumptions</u>

There were no changes in assumptions for fiscal year 2017.

For fiscal year 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB 74.
- The long-term rate of return was reduced to 7.45 percent.
- Valuation-year per capita health costs were updated.
- The percentage of future retirees electing each option was updated based on current data.
- The assumed future trend rates were modified.
- Decrement rates including mortality, disability, retirement, and withdrawal were modified.
- The assumed percentage of future disabled retirees assumed to elect health coverage was decreased from 84 percent to 65 percent, and the assumed percentage of terminated vested participants assumed to elect health coverage at retirement was decreased from 47 percent to 30 percent.
- The assumed salary scale was modified.

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate increased from a 4.13 percent blended discount rate to 7.45 percent.

- The health care trend assumption rate changed from 6 to 11 percent initial, 4.5 percent ultimate to:
    - Medical Medicare – 5 percent initial, 4 percent ultimate
    - Medical Pre-Medicare – 6 percent initial, 4 percent ultimate
    - Prescription Drug Medicare – -5.23 percent initial, 4 percent ultimate
    - Prescription Drug Pre-Medicare – 8 percent initial, 4 percent ultimate

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
    - Medical Medicare – from 5 percent to 4.93 percent initial, 4 percent ultimate
    - Medical Pre-Medicare – from 6 percent to 5.87 percent initial, 4 percent ultimate
    - Prescription Drug Medicare – from -5.23 percent to 9.62 percent initial, 4 percent ultimate
    - Prescription Drug Pre-Medicare – from 8 percent to 7.73 initial, 4 percent ultimate

For fiscal year 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
    - Medical Medicare – from 4.93 percent to -6.69 percent initial, 4 percent ultimate
    - Medical Pre-Medicare – from 5.87 percent to 5 percent initial, 4 percent ultimate
    - Prescription Drug Medicare – from 9.62 percent to 11.87 percent initial, 4 percent ultimate
    - Prescription Drug Pre-Medicare – from 7.73 percent to 6.5 initial, 4 percent ultimate

For fiscal year 2022, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate increased from 7.45 percent to 7.0 percent.
- The health care trend assumption rate changed as follows:
    - Medical Medicare – from -6.69 percent initial, 4 percent ultimate to -16.18 percent initial, 4 percent ultimate
    - Prescription Drug Medicare – from 11.87 percent initial, 4 percent ultimate to 29.98 percent initial, 4 percent ultimate

For fiscal year 2023, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
    - Medical Pre-Medicare – from 5.00 percent initial, 4 percent ultimate to 7.50 percent initial, 3.94 percent ultimate
    - Medical Medicare – from -16.18 percent initial, 4 percent ultimate to -68.78 percent initial, 3.94 percent ultimate
    - Prescription Drug Pre-Medicare – from 6.50 percent initial, 4 percent ultimate to 9.00 percent initial, 3.94 percent ultimate
    - Prescription Drug Medicare – from 29.98 percent initial, 4 percent ultimate to -5.47 percent initial, 3.94 percent ultimate
- Updated the health and disability mortality assumption to the PUB-2010 mortality tables with generational improvement scale MP-2020.

School Employees Retirement System

Pension

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2015 through 2017.

For fiscal year 2018, the following were the most significant changes in benefit that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.5 percent with a floor of 0 percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendars 2018, 2019, and 2020.

There were no changes to benefit terms for fiscal years 2019 through 2021.

For fiscal year 2022, the following was the most significant change in benefit that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from 2.5 percent to 2.0 percent.

For fiscal year 2023, the following was the most significant change in benefit that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from 2.0 percent to 2.5 percent.

Changes in assumptions

There were no changes in assumptions for fiscal years 2015 through 2017.

For fiscal year 2018, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2016 and prior are presented below:

- Assumed rate of inflation was reduced from 3.25 percent to 3.0 percent
- Payroll Growth Assumption was reduced from 4.0 percent to 3.5 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.5 percent
- Investment rate of return was reduced from 7.75 percent to 7.5 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- 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. The above rates represent the base rates used.
- 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 percent of male rates, and 110 percent of female rates.
- Mortality among disabled member was updated to the following:
    - RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

There were no changes in assumptions for fiscal years 2019 through 2021.

For fiscal year 2022, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

- Assumed rate of inflation was reduced from 3.0 percent to 2.4 percent
- Payroll Growth Assumption was reduced from 3.5 percent to 3.25 percent
- Investment rate of return was reduced from 7.5 percent to 7.0 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among members was updated to the following:
    - PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females.
- Mortality among disabled members was updated to the following:
    - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females.

There were no changes in assumptions for fiscal year 2023.

OPEB

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2017 through 2023.

Changes in assumptions

For fiscal year 2017, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- Assumed rate of inflation was reduced from 3.25 percent to 3.0 percent
- Payroll growth assumption was reduced from 4.0 percent to 3.5 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.5 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- 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.
- 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.
- 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 was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 2.98 percent to 3.63 percent.
- The municipal bond index rate increased from 2.92 percent to 3.56 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98 percent to 3.63 percent.

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was changed from 3.63 percent to 3.70 percent.
- The municipal bond index rate increased from 3.56 percent to 3.62 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63 percent to 3.70 percent.
- The medical trend assumption rate changed as follows:
    - Medicare – 2018 – 5.50 to 5.00 percent, 2019 – 5.375 to 4.75 percent
    - Pre-Medicare – 2018 – 7.50 to 5.00 percent, 2019 – 7.25 to 4.75

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.62 percent to 3.13 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70 percent to 3.22 percent.
- The medical trend assumption rate changed as follows:
    - Medicare – 2019 – 5.375 to 4.75 percent, 2020 – 5.25 to 4.75 percent
    - Pre-Medicare – 2019 – 7.25 to 4.75, 2020 – 7 to 4.75 percent

For fiscal year 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.13 percent to 2.45 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22 percent to 2.63 percent.

For fiscal year 2022, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The inflation rate decreased from 3.0 percent to 2.4 percent.
- Projected salary increases decreased from 3.5 percent to 3.25 percent.
- Investment rate of return decreased from 7.5 percent to 7.0 percent.
- The municipal bond index rate decreased from 2.45 percent to 1.92 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 2.63 percent to 2.27 percent.
- The medical trend assumption rate changed as follows:
    - Medicare – 2020 – 5.25 to 4.75 percent, 2022 – 5.125 to 4.4 percent
    - Pre-Medicare – 2020 – 7 to 4.75 percent, 2022 – 6.75 to 4.4 percent
- Mortality among members was updated to the following:
    - PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females.
- Mortality among disabled members was updated to the following:
    - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females.

For fiscal year 2023, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate increased from 1.92 percent to 3.69 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.27 percent to 4.08 percent.

This page intentionally left blank.

Williamsburg Local School District
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Number	Federal Assistance Listing Number	Federal Awards Expenditures
United States Department of Treasury			
Passed through the Ohio Facilities Construction Commission			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	5CV3	21.027	$160,878
Total United States Department of Treasury			**160,878**
United States Department of Education			
Passed through the Ohio Department of Education			
Special Education Cluster (IDEA):			
Special Education-Grants to States - 2022	N/A	84.027A	25,986
Special Education-Grants to States - 2023	N/A	84.027A	246,725
Special Education-Preschool Grants - 2023	N/A	84.173A	2,036
Total Special Education Cluster (IDEA)			274,747
Title I Grants to Local Educational Agencies - 2022	N/A	84.010A	9,894
Title I Grants to Local Educational Agencies - 2023	N/A	84.010A	182,447
Total Title I Grants to Local Educational Agencies			192,341
COVID-19 Education Stabilization Fund-ESSER II - 2022	N/A	84.425D	640
COVID-19 Education Stabilization Fund-ESSER II - 2023	N/A	84.425D	26,040
COVID-19 Education Stabilization Fund-ARP ESSER - 2022	N/A	84.425U	83,545
COVID-19 Education Stabilization Fund-ARP ESSER - 2023	N/A	84.425U	360,686
Total COVID-19 Education Stabilization Fund			470,911
Supporting Effective Instruction State Grants - 2023	N/A	84.367A	32,553
Student Support and Academic Enrichment Program - 2023	N/A	84.424A	19,381
Total United States Department of Education			**989,933**
Total Federal Financial Assistance			**$1,150,811**

N/A - pass through entity number not available.

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) is a summary of the activity of the School District's federal award programs. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position or changes in net position of the School District.

Note 2 – 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.

Note 3 – Indirect Cost Rate

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

Note 4 – Transfers Between Program Years

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program.

The School District transferred the following amounts from 2023 to 2024 programs:

Program Title	AL Number	Amount Transferred
Title I Grants to Local Educational Agencies	84.010A	$5,472
Education Stabilization Fund-ARP ESSER	84.425U	926,250
Education Stabilization Fund-Homeless Round II	84.425W	4,374

Note 5 – Prior Year Federal Expenditures Not Previously Reported

In fiscal year 2022, $255,500 in grant awards under the Emergency Connectivity Fund program (AL Number 32.009) were spent on behalf of the School District. These funds were not reported on the fiscal year 2022 schedule of expenditures of federal awards.

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

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

Williamsburg Local School District
Clermont County
549-A West Main Street
Williamsburg, Ohio 45176

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Williamsburg Local School District, Clermont County, (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 25, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

District's Response to Finding

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

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio
March 25, 2024

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

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

Williamsburg Local School District
Clermont County
549-A West Main Street
Williamsburg, Ohio 45176

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

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

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio
March 25, 2024

This page intentionally left blank.

WILLIAMSBURG LOCAL SCHOOL DISTRICT
CLERMONT COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	Yes
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	84.425D, 84.425U, – Elementary and Secondary School Emergency Relief
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

FINDING 2023-001

Noncompliance
Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information the District had expenditures in excess of appropriations of $8,000 in the Special Trust fund, $29,602 in the Student Activities fund, $282,354 in the ESSER fund, $49,220 in the Special Education fund, and $21,284 in the Miscellaneous Federal Grants fund as of June 30, 2023.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

FINDING 2023-001
(Continued)

The Board of Education should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Treasurer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

Officials' Response:

Thank you for bringing these oversights to our attention. In regards to the ESSER under-appropriation, our staff is researching the issue to identify the root cause of the process failure and implement corrective action. Our district and our staff takes great pride in our many consecutive years of earning the Auditor of State Award, and are committed to resuming that distinction in FY2024. Thank you again for your time and consideration. -- Greg Wells, Treasurer

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Williamsburg Local School District
Board of Education

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
June 30, 2023

Finding Number: 2023-001

Planned Corrective Action: District will closely monitor appropriations versus expenditures to ensure expenditures do not exceed appropriations.

Anticipated Completion Date: 06/30/2024

Responsible Contact Person: Greg Wells, Treasurer

Greg Wells, Treasurer
3/25/2024

549-A West Main Street, Williamsburg, Ohio 45176
(513) 724-3077 Fax (513) 724-1504 www.burgschools.org

OHIO AUDITOR OF STATE
KEITH FABER

WILLIAMSBURG LOCAL SCHOOL DISTRICT

CLERMONT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/28/2024