BROOKLYN CITY SCHOOL DISTRICT

CUYAHOGA COUNTY, OHIO

SINGLE AUDIT

For the Year Ended June 30, 2022

Charles E. Harris
& Associates, Inc.
CPAs and Government Consultants

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Education
Brooklyn City School District
9200 Biddulph oad
Brooklyn, Ohio 44144

We have reviewed the *Independent Auditor's Report* of the Brooklyn City School District, Cuyahoga County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2021 through June 30, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

January 20, 2023

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Cuyahoga County

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INDEPENDENT AUDITOR'S REPORT

Brooklyn City School District
Cuyahoga County
9200 Biddulph Road
Brooklyn, Ohio 44144

To the Board of Education:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brooklyn City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2022, 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 Brooklyn City School District, Cuyahoga County, Ohio as of June 30, 2022, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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 opinion.

Emphasis of Matter

As discussed in Note 23 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. As discussed in Note 3 to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87 Leases and related guidance from (GASB) Implementation Guide No. 2019-3, *Leases*. As discussed in Note 3 to the financial statements, the District had restatements in its prior year fund balances/net position. We did not modify our opinion regarding these matters.

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 opinion. 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/assets 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 an opinion on the financial statements that collectively comprise the District's basic financial statements.

The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis 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*, and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022, 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.

Charles E. Harris & Associates, Inc.
December 15, 2022

The discussion and analysis of the Brooklyn City School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2022 are as follows:

- The School District is committed to maintaining the financial stability of the School District. This commitment is reflected in the implementation of ongoing cost-savings plans that include evaluating job vacancies for streamlining opportunities.

- The School District received COVID-19 related funds in fiscal year 2022 to provide for coordination of preparedness and response efforts, training and professional development of staff, planning and coordinating during long-term closure, and purchasing technology for students. These funds are to be obligated by September 2024.

Using this Annual Financial Report

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains all of the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question "How did we perform financially during fiscal year 2022?" The statement of net position and the statement of activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private sector companies. Accrual accounting takes into account all of the current year's revenue 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. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many financial or non-financial factors. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, all of the School District's activities are classified as governmental. The School District's programs and services reported here include instruction, support services, operation of non-instructional services and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 10. 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 upon the School District's most significant funds. The School District's two major governmental funds are the general fund and the bond retirement fund.

Governmental Funds Most of the School District's activities are reported in governmental funds, which focus on how cash flows into and out of those funds and the balances remaining 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 the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

You may recall that the statement of net position provides the perspective of the School District as a whole. Table 1, found on the following page, provides a summary of the School District's net position for fiscal year 2022 compared to the prior fiscal year.

Table 1
Net Position
Governmental Activities

	2022	2021	Change
Assets			
Current and Other Assets	$30,504,826	$26,709,305	$3,795,521
Capital Assets, Net	22,253,710	22,454,275	(200,565)
Net OPEB Asset	1,370,496	1,114,134	256,362
Total Assets	54,129,032	50,277,714	3,851,318
Deferred Outflows of Resources			
Deferred Charges on Refunding	$1,967,758	$2,039,313	($71,555)
Pension	4,397,645	3,492,269	905,376
OPEB	435,698	523,633	(87,935)
Total Deferred Outflows of Resources	6,801,101	6,055,215	745,886
Liabilities			
Current Liabilities	2,199,186	2,554,218	355,032
Long-Term Liabilities:			
Due Within One Year	778,987	726,837	(52,150)
Due in More than One Year:			
Net Pension Liability	10,245,488	18,953,938	8,708,450
Net OPEB Liability	1,018,512	1,226,346	207,834
Other Amounts	30,587,237	31,100,985	513,748
Total Liabilities	44,829,410	54,562,324	9,732,914
Deferred Inflows of Resources			
Property Taxes	15,713,133	15,622,620	(90,513)
Pension	8,738,031	802,352	(7,935,679)
OPEB	2,386,380	2,196,634	(189,746)
Total Deferred Inflows of Resources	26,837,544	18,621,606	(8,215,938)
Net Position			
Net Investment in Capital Assets	(4,007,175)	(4,129,486)	122,311
Restricted for:			
Capital Projects	568,371	171,787	396,584
Debt Service	2,011,388	1,654,096	357,292
Unclaimed Monies	33,932	31,174	2,758
Set-Aside Reserve	105,172	71,393	33,779
Other Purposes	207,037	233,538	(26,501)
Unrestricted (Deficit)	(9,655,546)	(14,883,503)	5,227,957
Total Net Position	($10,736,821)	($16,851,001)	$6,114,180

The net pension liability (NPL) is one of the largest liabilities reported by the School District at June 30, 2022. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange; however, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Total net position increased compared to the prior fiscal year. Total deferred inflows of resources increased significantly over the prior fiscal year; however this was more than offset by the decrease in total liabilities, which was caused by changes in assumptions by the pension systems related to the net pension and OPEB liabilities. Current assets increased primarily due to an increase in cash balances and property taxes receivable. Management continues to diligently plan expenses, staying carefully within the School District's revenues in an effort to maintain the durations between its levy requests.

Table 2 shows the change in net position for fiscal year 2022 for governmental activities compared to the prior fiscal year.

Table 2
Changes in Net Position
Governmental Activities

	2022	2021	Change
Revenues			
Program Revenues:			
Charges for Services and Sales	$316,664	$160,840	$155,824
Operating Grants and Contributions	4,277,640	2,298,153	1,979,487
Total Program Revenues	4,594,304	2,458,993	2,135,311
General Revenues:			
Property Taxes	20,316,586	17,578,298	2,738,288
Grants and Entitlements	1,397,041	1,419,447	(22,406)
Unrestricted Contributions and Donations	0	1,020	(1,020)
Investment Earnings	(42,113)	14,098	(56,211)
Miscellaneous	316,687	455,335	(138,648)
Total General Revenues	21,988,201	19,468,198	2,520,003
Total Revenues	26,582,505	21,927,191	4,655,314
Program Expenses			
Instruction	11,272,352	12,908,895	1,636,543
Support Services:			
Pupil	1,271,593	1,458,932	187,339
Instructional Staff	488,569	344,645	(143,924)
Board of Education	145,677	187,021	41,344
Administration	1,278,031	1,104,848	(173,183)
Fiscal	607,003	418,599	(188,404)
Business	175,335	212,271	36,936
Operation and Maintenance of Plant	1,744,004	1,482,708	(261,296)
Pupil Transportation	760,915	297,020	(463,895)
Central	212,449	402,293	189,844
Operation of Non-Instructional Services:			
Food Service Operations	296,951	176,392	(120,559)
Community Services	366,952	280,090	(86,862)
Extracurricular Activities	487,409	510,444	23,035
Intergovernmental	191	0	(191)
Interest and Fiscal Charges	1,360,894	1,140,834	(220,060)
Total Program Expenses	20,468,325	20,924,992	456,667
Change in Net Position	6,114,180	1,002,199	5,111,981
Net Position Beginning of Year	(16,851,001)	(17,853,200)	1,002,199
Net Position End of Year	($10,736,821)	($16,851,001)	$6,114,180

Governmental Activities

Several revenue sources primarily fund the School District's governmental activities. Property tax revenues brought the largest portion of general revenues. The grants and entitlements portion of the general revenues is the third largest source of revenues for the School District and includes monies received from the Ohio Department of Education, the State Foundation Program and property tax relief such as homestead exemptions and rollbacks provided by House Bill 920. The combination of taxes and intergovernmental funding along with other general revenues have provided for coverage of all expenses in governmental activities during the fiscal year.

The increase in revenues was mainly due to the increase in property taxes. Property taxes increased due to higher assessed values and an increase in the amount available as an advance over the prior fiscal year. Program revenues also increased mainly due to an increase in grant funding related to COVID-19. Overall, expenses decreased slightly from the prior fiscal year due to Management's diligent planning of expenses.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
Instruction	$11,272,352	$12,908,895	($8,680,362)	($11,391,421)
Support Services:				
Pupil	1,271,593	1,458,932	(1,234,825)	(1,224,259)
Instructional Staff	488,569	344,645	(165,276)	(144,100)
Board of Education	145,677	187,021	(144,703)	(186,104)
Administration	1,278,031	1,104,848	(1,211,983)	(1,099,466)
Fiscal	607,003	418,599	(602,653)	(416,517)
Business	175,335	212,271	(173,978)	(211,234)
Operation and Maintenance of Plant	1,744,004	1,482,708	(1,330,212)	(1,476,448)
Pupil Transportation	760,915	297,020	(477,202)	(260,770)
Central	212,449	402,293	(203,969)	(396,809)
Operation of Non-Instructional Services:				
Food Service Operations	296,951	176,392	152,282	(41,956)
Community Services	366,952	280,090	(47,732)	(3,397)
Extracurricular Activities	487,409	510,444	(392,323)	(472,684)
Intergovernmental	191	0	(191)	0
Interest and Fiscal Charges	1,360,894	1,140,834	(1,360,894)	(1,140,834)
Total Expenses	$20,468,325	$20,924,992	($15,874,021)	($18,465,999)

The School District's Funds

Information regarding the School District's major funds starts on page 14. All governmental funds are accounted for using the modified accrual basis of accounting. The School District's major funds are the general fund and the bond retirement fund. The fund balance in the general fund increased primarily due to an increase in property tax revenues and an overall reduction in expenditures. The increase in the bond retirement fund is also due to an increase in property tax revenues. Bond retirement expenditures increased just slightly over the prior fiscal year.

General Fund Budgeting Highlights

Information about the School District's budget is prepared in accordance with Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the main operating fund of the School District, the general fund.

During the course of fiscal year 2022, the School District amended its general fund budget various times by the end of the fiscal year. Requests for budget changes are made by the Treasurer to reflect changes in projected revenues. With regard to the general fund, the actual revenues were higher than final budgeted revenues. The difference between the original and final budgeted expenditure amounts is due to conservative budgeting at the beginning of the fiscal year. The School District monitors the budget on a monthly basis to keep it in line with current expenditures. The general fund balance increased over the prior fiscal year, which was mostly attributable to an increase in property tax revenues.

Capital Assets and Debt Administration

Capital Assets

All capital assets, except land and construction in progress, are reported net of depreciation. The decrease in capital assets was due to annual depreciation outpacing current year additions. More detailed information is presented in Note 8 of the notes to the basic financial statements. For fiscal year 2022, Ohio law required school districts to expend or otherwise reserve three percent of qualifying revenues only for the purpose of capital improvements. For fiscal year 2022, this amounted to $208,658. See Note 19 for additional set-aside information.

Long-Term Obligations

At June 30, 2022, the School District had $28,937,081 in bonds outstanding, with $645,000 due within one year.

In fiscal year 2014, the School District issued $25,999,984 in general obligation bonds. The nonrefunded bonds are for school improvements and will be paid off in fiscal year 2022.

In fiscal year 2018, the School District issued $29,363,241 in general obligation bonds. The purpose of the bonds are to refund the 2014 school improvement bonds and will be paid off in fiscal year 2050.

In fiscal year 2018, the School District issued $600,000 in energy conservation bonds. The bonds are for the energy conservation upgrade throughout the School District and will be paid off in fiscal year 2027.

In fiscal years 2020 and 2021, the School District entered into financed purchases for Chromebooks. The School District used Elementary and Secondary School Emergency Relief money to retire them in fiscal year 2022.

In fiscal year 2022, the School District entered into a lease for copiers throughout the School District.

At June 30, 2022, the School District's overall legal debt margin was $6,564,638 with an unvoted debt margin of $372,605. See Note 18 to the basic financial statements for additional information on long-term obligations.

Current Financial Related Activities

The biggest source of revenue for the School District are the local property taxes. The School District continues to be fiscally responsible and changes in expenditures have been aggressively managed over the years to ensure that we continue to avoid deficit spending. Management is committed to providing the best available education for the community of Brooklyn by providing sound financial information and forecasting, exploring alternative methods of doing business, and controlling costs.

In fall of 2021, the School District contracted with GDP Group to conduct a facility study to access School District facility conditions and needs. The facility study provided building assessments and a priority list of items that need to be addressed.

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 funds it receives. If you have any questions about this report or need additional financial information, please contact Colleen Aholt, Treasurer, at the Brooklyn City School District, 9200 Biddulph Road, Brooklyn, Ohio 44144, or colleen.aholt@bcshurricanes.org.

Brooklyn City School District

Statement of Net Position

June 30, 2022

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$11,443,988
Accrued Interest Receivable	2,932
Accounts Receivable	13,832
Intergovernmental Receivable	581,830
Prepaid Items	26,499
Property Taxes Receivable	18,435,745
Non-depreciable Capital Assets	1,310,137
Depreciable Capital Assets, Net	20,943,573
Net OPEB Asset (See Note 22)	1,370,496
Total Assets	54,129,032
Deferred Outflows of Resources	
Deferred Charges on Refunding	1,967,758
Pension	4,397,645
OPEB	435,698
Total Deferred Outflows of Resources	6,801,101
Liabilities	
Accounts Payable	277,619
Accrued Wages and Benefits	1,404,596
Intergovernmental Payable	398,208
Accrued Interest Payable	84,313
Matured Compensated Absences Payable	32,760
Unearned Revenue	1,690
Long-Term Liabilities:	
Due Within One Year	778,987
Due In More Than One Year:	
Net Pension Liability (See Note 21)	10,245,488
Net OPEB Liability (See Note 22)	1,018,512
Other Amounts due in More Than One Year	30,587,237
Total Liabilities	44,829,410
Deferred Inflows of Resources	
Property Taxes	15,713,133
Pension	8,738,031
OPEB	2,386,380
Total Deferred Inflows of Resources	26,837,544
Net Position	
Net Investment in Capital Assets	(4,007,175)
Restricted for:	
Capital Projects	568,371
Debt Service	2,011,388
Unclaimed Monies	33,932
Set-Aside Reserve	105,172
Other Purposes	207,037
Unrestricted (Deficit)	(9,655,546)
Total Net Position	($10,736,821)

See accompanying notes to the basic financial statements

Brooklyn City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2022

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular	$7,454,531	$51,896	$1,134,821	($6,267,814)
Special	3,807,204	20,381	1,373,242	(2,413,581)
Student Intervention Services	10,617	0	11,650	1,033
Support Services:				
Pupil	1,271,593	8,536	28,232	(1,234,825)
Instructional Staff	488,569	6,467	316,826	(165,276)
Board of Education	145,677	974	0	(144,703)
Administration	1,278,031	8,732	57,316	(1,211,983)
Fiscal	607,003	4,350	0	(602,653)
Business	175,335	1,357	0	(173,978)
Operation and Maintenance of Plant	1,744,004	8,531	405,261	(1,330,212)
Pupil Transportation	760,915	4,424	279,289	(477,202)
Central	212,449	1,362	7,118	(203,969)
Operation of Non-Instructional Services:				
Food Service Operations	296,951	4,147	445,086	152,282
Community Services	366,952	117,609	201,611	(47,732)
Extracurricular Activities	487,409	77,898	17,188	(392,323)
Intergovernmental	191	0	0	(191)
Interest and Fiscal Charges	1,360,894	0	0	(1,360,894)
Totals	$20,468,325	$316,664	$4,277,640	(15,874,021)

General Revenues	
Property Taxes Levied for:	
General Purposes	18,419,669
Debt Service	1,896,917
Grants and Entitlements not Restricted to Specific Programs	1,397,041
Investment Earnings	(42,113)
Miscellaneous	316,687
Total General Revenues	21,988,201
Change in Net Position	6,114,180
Net Position Beginning of Year - Restated (See Note 3)	(16,851,001)
Net Position End of Year	($10,736,821)

See accompanying notes to the basic financial statements

Brooklyn City School District

Balance Sheet

Governmental Funds

June 30, 2022

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$8,603,016	$1,824,602	$877,266	$11,304,884
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	139,104	0	0	139,104
Accrued Interest Receivable	2,932	0	0	2,932
Accounts Receivable	13,536	0	296	13,832
Intergovernmental Receivable	77,607	0	504,223	581,830
Prepaid Items	24,598	0	1,901	26,499
Interfund Receivable	246,579	0	0	246,579
Property Taxes Receivable	16,652,561	1,783,184	0	18,435,745
Total Assets	$25,759,933	$3,607,786	$1,383,686	$30,751,405
Liabilities				
Accounts Payable	$58,939	$0	$218,680	$277,619
Accrued Wages and Benefits	1,241,983	0	162,613	1,404,596
Intergovernmental Payable	359,373	0	38,835	398,208
Matured Compensated Absences Payable	32,267	0	493	32,760
Interfund Payable	0	0	246,579	246,579
Unearned Revenue	0	0	1,690	1,690
Total Liabilities	1,692,562	0	668,890	2,361,452
Deferred Inflows of Resources				
Property Taxes	14,201,048	1,512,085	0	15,713,133
Unavailable Revenue	1,235,397	128,400	328,167	1,691,964
Total Deferred Inflows of Resources	15,436,445	1,640,485	328,167	17,405,097
Fund Balances				
Nonspendable	58,530	0	1,901	60,431
Restricted	105,172	1,967,301	815,556	2,888,029
Assigned	450,116	0	0	450,116
Unassigned (Deficit)	8,017,108	0	(430,828)	7,586,280
Total Fund Balances	8,630,926	1,967,301	386,629	10,984,856
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$25,759,933	$3,607,786	$1,383,686	$30,751,405

See accompanying notes to the basic financial statements

Brooklyn City School District

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2022

Total Governmental Fund Balances		$10,984,856
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.		22,253,710
Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the funds:		
Delinquent Property Taxes	1,306,424	
Intergovernmental	328,167	
Tuition and Fees	57,373	
Total		1,691,964
Deferred outflows of resources represent deferred charges on refunding, which are not reported in the funds.		1,967,758
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental fund, an interest expenditure is reported when due.		(84,313)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(28,937,081)	
Energy Conservation Loan	(309,688)	
Lease	(105,178)	
Compensated Absences	(2,014,277)	
Total		(31,366,224)
The net pension and net OPEB asset/liabilities are not due and payable in the current period; therefore, the asset/liabilities and related deferred inflows/outflows are not reported in governmental funds:		
Net OPEB Asset	1,370,496	
Deferred Outflows - Pension	4,397,645	
Deferred Outflows - OPEB	435,698	
Net Pension Liability	(10,245,488)	
Net OPEB Liability	(1,018,512)	
Deferred Inflows - Pension	(8,738,031)	
Deferred Inflows - OPEB	(2,386,380)	
Total		(16,184,572)
Net Position of Governmental Activities		($10,736,821)

See accompanying notes to the basic financial statements

Brooklyn City School District

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2022

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	$17,756,398	$1,831,840	$0	$19,588,238
Intergovernmental	1,781,411	75,535	3,473,449	5,330,395
Interest	(43,646)	0	1,533	(42,113)
Tuition and Fees	129,333	0	80,796	210,129
Extracurricular Activities	0	0	73,267	73,267
Contributions and Donations	151	0	29,268	29,419
Charges for Services	5,081	0	42,943	48,024
Miscellaneous	315,793	0	894	316,687
Total Revenues	19,944,521	1,907,375	3,702,150	25,554,046
Expenditures				
Current:				
Instruction:				
Regular	7,158,168	0	1,057,535	8,215,703
Special	3,033,964	0	999,055	4,033,019
Student Intervention Services	0	0	10,617	10,617
Support Services:				
Pupil	1,296,355	0	67,522	1,363,877
Instructional Staff	190,478	0	304,394	494,872
Board of Education	145,677	0	0	145,677
Administration	1,302,420	0	53,598	1,356,018
Fiscal	648,662	500	0	649,162
Business	197,412	0	0	197,412
Operation and Maintenance of Plant	1,264,536	0	564,568	1,829,104
Pupil Transportation	646,593	0	177,721	824,314
Central	203,871	0	109,467	313,338
Operation of Non-Instructional Services:				
Food Service Operations	10,779	0	338,136	348,915
Community Services	0	0	367,272	367,272
Extracurricular Activities	441,678	0	116,026	557,704
Capital Outlay	42,013	0	15,401	57,414
Intergovernmental	191	0	0	191
Debt Service:				
Principal Retirement	103,642	205,887	112,360	421,889
Capital Appreciation Bond Interest	0	439,114	0	439,114
Interest and Fiscal Charges	15,244	1,005,134	7,121	1,027,499
Total Expenditures	16,701,683	1,650,635	4,300,793	22,653,111
Excess of Revenues Over (Under) Expenditures	3,242,838	256,740	(598,643)	2,900,935
Other Financing Sources (Uses)				
Inception of Lease	130,211	0	0	130,211
Transfers In	0	0	660,025	660,025
Transfers Out	(660,025)	0	0	(660,025)
Total Other Financing Sources (Uses)	(529,814)	0	660,025	130,211
Net Change in Fund Balances	2,713,024	256,740	61,382	3,031,146
Fund Balances Beginning of Year - Restated (See Note 3)	5,917,902	1,710,561	325,247	7,953,710
Fund Balances End of Year	$8,630,926	$1,967,301	$386,629	$10,984,856

See accompanying notes to the basic financial statements

Brooklyn City 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, 2022

Net Change in Fund Balances - Total Governmental Funds		$3,031,146
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets are allocated over their useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period:		
Capital Outlay	225,043	
Current Year Depreciation/Amortization	(399,555)	
Total		(174,512)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(26,053)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Delinquent Property Taxes	728,348	
Intergovernmental	314,867	
Tuition and Fees	(14,756)	
Total		1,028,459
Repayment of principal and capital appreciation bond interest are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Principal Retirement	421,889	
Capital Appreciation Bond Interest	439,114	
Total		861,003
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(6,919)
In the statement of activities, interest accrued on outstanding bonds and bond discounts and premiums are amortized over the terms of the bonds, whereas in the governmental funds, the expenditures are reported when due:		
Accrued Interest on Bonds	435	
Amortization of Premium	150,535	
Amortization of Discount	(9,898)	
Amortization of Deferred Charges on Refunding	(71,555)	
Annual Accretion	(402,912)	
Total		(333,395)
Other financing sources, such as an inception of lease, in the governmental funds increased long-term liabilities in the statement of net position:		(130,211)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	170,218	
OPEB	149,405	
Total		319,623
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB asset/liabilities are reported as pension/OPEB expense in the statement of activities:		
Pension	1,507,929	
OPEB	37,110	
Total		1,545,039
Change in Net Position of Governmental Activities		$6,114,180

See accompanying notes to the basic financial statements

Brooklyn City School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$16,423,075	$16,423,075	$17,246,685	$823,610
Intergovernmental	1,675,649	1,675,649	1,759,682	84,033
Interest	22,378	22,378	23,500	1,122
Tuition and Fees	113,856	113,856	119,566	5,710
Miscellaneous	265,034	265,034	278,326	13,292
Total Revenues	18,499,992	18,499,992	19,427,759	927,767
Expenditures				
Current:				
Instruction:				
Regular	9,229,687	8,342,689	7,559,921	782,768
Special	2,441,217	3,190,743	3,188,191	2,552
Support Services:				
Pupil	1,510,830	1,561,455	1,288,199	273,256
Instructional Staff	236,342	194,116	195,881	(1,765)
Board of Education	845,964	265,771	187,663	78,108
Administration	1,691,818	1,438,780	1,247,574	191,206
Fiscal	887,728	772,671	662,832	109,839
Business	239,517	161,009	197,209	(36,200)
Operation and Maintenance of Plant	1,410,500	1,510,963	1,490,648	20,315
Pupil Transportation	550,806	937,000	823,334	113,666
Central	363,585	394,284	272,873	121,411
Operation of Non-Instructional Services:				
Food Services	2,894	11,500	10,798	702
Extracurricular Activities	495,633	399,299	410,663	(11,364)
Capital Outlay	12,020	47,764	51,428	(3,664)
Intergovernmental	50	200	191	9
Debt Service:				
Principal Retirement	103,642	103,642	103,642	0
Interest and Fiscal Charges	18,414	18,414	15,244	3,170
Total Expenditures	20,040,647	19,350,300	17,706,291	1,644,009
Excess of Revenues Over (Under) Expenditures	(1,540,655)	(850,308)	1,721,468	2,571,776
Other Financing Uses				
Transfers Out	(225,000)	(612,900)	(660,025)	(47,125)
Net Change in Fund Balance	(1,765,655)	(1,463,208)	1,061,443	2,524,651
Fund Balance Beginning of Year	6,481,978	6,481,978	6,481,978	0
Prior Year Encumbrances Appropriated	735,569	735,569	735,569	0
Fund Balance End of Year	$5,451,892	$5,754,339	$8,278,990	$2,524,651

See accompanying notes to the basic financial statements

Note 1 – Description of the School District and Reporting Entity

The Brooklyn City School District (School District) was formed on March 18, 1911 under provisions of Section 3311.02 of the Ohio Revised Code.

The Brooklyn City School District operates under a locally-elected five member board form of government and provides educational services as authorized and mandated by State and Federal agencies. The Board controls the School District's campus, which encompasses a pre-K through high school facility consisting of Brooklyn Elementary School, Brooklyn Intermediate School, and Brooklyn High School. This facility educates 1,281 students. The Board employs 53 classified and 98 certified employees.

Reporting Entity

A 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, agencies, departments and offices that are not legally separate from the School District. For the School District, the agencies and departments provide the following services: general operations, food service, preschool and student related activities.

> *Non-Public Schools* Within the School District boundaries, there are various non-public schools. Current State legislation provides funding to these non-public schools. These monies are received and disbursed on behalf of the non-public school by the Treasurer of the School District, as directed by the non-public school. These transactions are reported in a special revenue fund and as a governmental activity of the School District.

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

The School District participates in one insurance purchasing pool, three jointly governed organizations and one public entity risk pool. These organizations are the Ohio School Boards Association Workers' Compensation Group Rating Program, Polaris Career Center, Ohio Schools' Council, Northeast Ohio Network for Educational Technology, and the Suburban Health Consortium. These organizations are presented in Notes 15, 16, and 17 of the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the School District that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). The School District, however, does not have business-type activities.

The statement of net position presents the financial condition of the governmental activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are 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 activity is self-financing or draws from the general revenues of the School District.

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

Fund Accounting

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

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

Bond Retirement Fund The bond retirement fund is used to account for and report the accumulation of property tax revenues restricted for the payment of general obligation bonds issued for the purpose of renovating, remodeling, rehabilitating, adding to, furnishing, equipping and otherwise improving school facilities, and acquiring, clearing and improving school facility sites.

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

Measurement Focus

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

Basis of Accounting

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the 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 nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension and OPEB plans. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 21 and 22.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB plans. and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District unavailable revenue includes delinquent property taxes, intergovernmental revenue, and tuition and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities found on page 15. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 21 and 22).

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

Budgetary Data

All funds, other than agency 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 set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund, function or object level for the general fund and at the fund level for all other funds. The Treasurer has been given the authority to allocate appropriations to the function or object level within all funds, except the general fund, without resolution by the Board of Education.

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 and final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate that was in effect at the time the original and 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 resources by fund. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

Cash and Cash Equivalents

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

During fiscal year 2022, investments were limited to a money market account, federal home loan mortgage corporation bonds, federal farm credit bank bonds, federal home loan bank bonds, U.S. treasury notes, negotiable certificates of deposit, and commercial paper. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. The School District's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2022 amounted to ($43,646), which includes ($11,476) assigned from other School District funds. The fair value of investments declined during fiscal year 2022, resulting in negative investment earnings.

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 reported as cash equivalents.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature of normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or the laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the general fund include amounts for unclaimed monies and the set asides reserve.

Prepaids

Payments made to vendors for services that will benefit periods beyond June 30, 2022, are reported 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.

Capital Assets

All of the School District's capital assets are general capital assets. General capital assets are those assets related to activities reported in the governmental funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

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

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 Life
Buildings and Improvements	25-80 years
Furniture and Equipment	5-20 years
Vehicles	5-10 years

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

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables.” Interfund balances are eliminated in the governmental activities column of the statement of net position.

Premiums and Discounts

On the government-wide financial statements, premiums and discounts are deferred and amortized over the term of the debt issuance using the straight line method. Premiums are presented as an increase of the face amount of the debt issuance payable. On fund financial statements, premiums are receipted in the year the debt issuance is issued. On the government-wide financial statements, discounts are presented as a decrease of the face amount of the debt issuance payable. On the fund financial statements, discounts are expended in the year the debt issuance is issued.

Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Deferred Charges on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

Internal Activity

Transfers between governmental funds are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. 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 vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for employees after ten years of current service with the School District.

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

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 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 the payment during the current fiscal year. Net pension/OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plans' fiduciary net position is not sufficient for payment of those benefits. Bonds, long-term loans, financed purchases, and leases are recognized as a liability on the fund financial statements when due.

Net Position

Net position represents the difference between all other elements in a statement of financial position. 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 their use 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, school programs, and athletic and music.

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in 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 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.

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the 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 includes the remaining amount that is not restricted or committed. These amounts are assigned by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by the School District Board of Education or a School District official delegated that authority by resolution or by State statute. State Statute authorizes the Treasurer to assign fund balances for purchases on order provided such amounts have been lawfully appropriated. The Board may also assign fund balances as it does when appropriating fund balance to cover a gap between estimated resources and appropriations in the subsequent year's appropriated budget.

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

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

Estimates

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

Note 3 – Changes in Accounting Principles and Restatement of Fund Balance and Net Position

Change in Accounting Principles

For fiscal year 2022, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases and related guidance from (GASB) Implementation Guide No. 2019-3, *Leases*.

GASB Statement 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District included leases in the financial statements.

The School District is also implementing *Implementation Guide No. 2020-1,* GASB Statement No. 92 – *Omnibus 2020, and* GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. These changes were incorporated in the School District's 2022 financial statements; however, there was no effect on beginning net position/fund balance.

For fiscal year 2022, the School District modified its approach related to the eligibility requirements of certain School District grants. Also, during fiscal year 2022, it was determined that various costs incurred in previous years carried as capital assets should not have been. These changes resulted in the following restatements to fund balance/net position at July 1, 2021:

Restatement of Fund Balance

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Fund Balance at July 1, 2021	$5,917,902	$1,710,561	$378,658	$8,007,121
Adjustments:				
Intergovernmental Receivable	0	0	(396,984)	(396,984)
Unearned Revenue	0	0	(1,729)	(1,729)
Deferred Inflows of Resources - Unavailable Revenue	0	0	345,302	345,302
Restated Fund Balance at July 1, 2021	$5,917,902	$1,710,561	$325,247	$7,953,710

Restatement of Net Position

	Governmental Activities
Net Position at July 1, 2021	($8,881,664)
Adjustments:	
Intergovernmental Receivable	(396,984)
Unearned Revenue	(1,729)
Capital Assets	(7,570,624)
Restated Net Position at July 1, 2021	($16,851,001)

Note 4 – Accountability

At June 30, 2022, the following funds had deficit fund balances:

	Amounts
Special Revenue Funds:	
Elementary and Secondary School Emergency Relief Grant	($264,823)
Title VI-B	(25,342)
Title I	(36,808)
Drug Free Grant	(698)
Title II-A	(496)
Miscellaneous Federal Grants	(102,661)

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

Note 5 – Budgetary Basis of Accounting

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

The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Investments are reported at cost (budget) rather than fair value (GAAP).
3. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
4. Budgetary revenues and expenditures of the uniform school supplies, and public school support are reclassified to the general fund for GAAP Reporting.
5. Encumbrances are treated as expenditures (budget basis) rather than as a restricted, committed, or assigned fund balance (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements on a fund type basis for the general fund.

Net Change in Fund Balance

GAAP Basis	$2,713,024
Net Adjustment for Revenue Accruals	(751,400)
Beginning Fair Value Adjustment for Investments	396
Ending Fair Value Adjustment for Investments	69,102
Net Adjustment for Expenditure Accruals	(471,810)
Perspective Differences:	
Unclaimed Monies	2,758
Uniform School Supplies	148
Public School Support	(13,761)
Encumbrances	(487,014)
Budget Basis	$1,061,443

Note 6 – Deposits and Investments

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

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

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

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

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

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

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

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

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

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

Investments

Investments are reported at fair value. As of June 30, 2022, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percentage of Total Investments
Fair Value - Level One Inputs:				
Money Market Fund	$7,584	Less Than One Year	N/A	N/A
Fair Value - Level Two Inputs:				
Federal Home Loan Mortgage Corporation Bonds	96,219	Less Than Two Years	AA+	N/A
Federal Farm Credit Bank Bonds	321,495	Less Than Two Years	AA+	8.16 %
Federal Home Loan Bank Bonds	733,012	Less Than Five Years	AAA/AA+	18.61
U.S. Treasury Notes	73,600	Less Than Three Years	AA+	N/A
Negotiable Certificates of Deposit	877,363	Less Than Four Years	N/A	22.28
Amortized Cost:				
Commercial Paper	1,828,565	Less Than One Year	A-1/A-1+	46.44
Total Investments	$3,937,838			

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 preceding chart identifies the School District's recurring fair value measurements as of June 30, 2022. The money market fund is measured at fair value and is valued using quoted market prices (Level 1 inputs). The School District's remaining investments are measured at fair value and are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Note 7 – Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2022 represents collections of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed value listed as of January 1, 2021, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2022 represents collections of calendar year 2021 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien December 31, 2020, were levied after April 1, 2021, and are collected in calendar year 2022 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2022, are available to finance fiscal year 2022 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, 2022 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2022, was $1,273,488 in the general fund and $142,699 in the debt service bond retirement fund. The amount available as an advance at June 30, 2021, was $763,776 in the general fund and $85,584 in the debt service bond retirement fund.

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 reported as deferred inflows of resources – unavailable revenue.

The assessed values upon which fiscal year 2022 taxes were collected are:

	2021 Second Half Collections		2022 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	$288,165,640	87.10 %	$325,973,230	87.49 %
Public Utility Personal	42,688,730	12.90	46,631,410	12.51
Total	$330,854,370	100.00 %	$372,604,640	100.00 %
Tax rate per $1,000 of assessed valuation	$64.00		$63.70	

The School District's full tax rate decreased from the prior year due to the increase in assessed values in order for the bond and emergency levies to collect their fixed amounts.

Note 8 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$1,264,300	$0	$0	$1,264,300
Construction in Progress	0	45,837	0	45,837
Total Capital Assets not being Depreciated	1,264,300	45,837	0	1,310,137
Capital Assets being Depreciated:				
Buildings and Improvements	26,012,753	0	(22,784)	25,989,969
Furniture and Equipment	1,563,703	0	(700,708)	862,995
Vehicles	276,255	48,995	0	325,250
Intangible Asset - Copiers	0	130,211	0	130,211
Total Capital Assets being Depreciated	27,852,711	179,206	(723,492)	27,308,425
Less: Accumulated Depreciation/Amortization:				
Buildings and Improvements	(5,049,404)	(349,154)	11,673	(5,386,885)
Furniture and Equipment	(1,368,331)	(19,377)	685,766	(701,942)
Vehicles	(245,001)	(4,982)	0	(249,983)
Intangible Asset - Copiers	0	(26,042)	0	(26,042)
Total Accumulated Depreciation/Amortization	(6,662,736)	(399,555) *	697,439	(6,364,852)
Total Capital Assets being Depreciated, Net	21,189,975	(220,349)	(26,053)	20,943,573
Governmental Activities Capital Asset, Net	$22,454,275	($174,512)	($26,053)	$22,253,710

* Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	$352,524
Special	1,069
Support Services:	
Administration	1,796
Operation and Maintenance of Plant	12,956
Pupil Transportation	1,574
Central	29,322
Food Service Operations	314
Total Depreciation Expense	$399,555

** Of the current year depreciation total of $399,555, $26,042 is presented as support services – central expense on the statement of activities related to the School District's intangible asset related to copiers, which is included as an Intangible Right to Use Lease. With the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*, a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

Note 9 – Receivables

Receivables at June 30, 2022, consisted of accounts, intergovernmental, taxes and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables are expected to be collected within one year, except delinquent property taxes. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.
A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Elementary and Secondary School Emergency Relief Grant	$315,274
Title I Grant	83,422
Foundations Settlement	66,328
Title VI-B Grant	59,001
Title II-A Grant	24,888
Northeast Ohio ESC Comprehensive Literacy Grant	18,654
E-Rate	5,221
Medicaid Reimbursement	3,860
Title III Grant	2,286
Polaris Career Center Reimbursement	2,198
Drug Free Grant	698
Total Intergovernmental Receivables	$581,830

Note 10 – 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 government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

Fund Balances	General	Bond Retirement	Other Governmental Funds	Total
Nonspendable:				
Unclaimed Monies	$33,932	$0	$0	$33,932
Prepaid Items	24,598	0	1,901	26,499
Total Nonspendable	58,530	0	1,901	60,431
Restricted for:				
Debt Service	0	1,967,301	0	1,967,301
Capital Projects	0	0	568,371	568,371
Set-Aside Reserve	105,172	0	0	105,172
Other Purposes	0	0	247,185	247,185
Total Restricted	105,172	1,967,301	815,556	2,888,029
Assigned to:				
Purchases on Order:				
Instruction	77,137	0	0	77,137
Support Services	316,222	0	0	316,222
Extracurricular Activities	6,204	0	0	6,204
Capital Outlay	9,415	0	0	9,415
Fiscal Year 2023 Budget	41,138	0	0	41,138
Total Assigned	450,116	0	0	450,116
Unassigned (Deficit)	8,017,108	0	(430,828)	7,586,280
Total Fund Balances	$8,630,926	$1,967,301	$386,629	$10,984,856

Note 11 – Interfund Transactions

Interfund Balances

Interfund balances at June 30, 2022, consist of the following individual fund receivables and payables:

Interfund Payable	Interfund Receivable General
Other Governmental Funds:	
Local Grants	$3,448
Miscellaneous State Grants	726
Elementary and Secondary School Emergency Relief Grant	50,451
Title VI-B	27,965
Title III	2,286
Title I	16,035
Title II-A	24,353
Miscellaneous Federal Grants	121,315
Total	$246,579

The interfund payables are advances from the general fund to the special revenue funds to support the funds' programs. All are payable to the general fund and are expected to be repaid in fiscal year 2023.

Interfund Transfers

Transfers In	Transfers Out General
Other Governmental Funds:	
Underground Storage Tanks	$17,000
Athletics and Music	44,025
Permanent Improvements	599,000
Total	$660,025

The transfers to the special revenue funds and capital projects fund are to support the funds' programs.

Note 12 – Risk Management

Insurance

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District contracted with Huntington Insurance, Incorporated for comprehensive property, inland marine coverage, crime coverage, general liability and automobile liability. The School District contracted with Hylant Administrative Services, LLC (Ohio School Plan) for the following services. The property insurance coverage was $62,846,500 with a $1,000 deductible for fiscal year 2022. Crime coverage was $100,000 with a $1,000 deductible for public employee dishonesty blanket bonds and forgery. General liability coverage was $6,000,000 aggregate with no deductible and included violent event response coverage. Automobile liability coverage had a $4,000,000 combined single limit of liability.

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

Bonding

The Treasurer is covered by Travelers Casualty in the amount of $50,000. Remaining employees who handle money are covered with a public employees' blanket bond in the amount of $100,000 with a $1,000 deductible. The District also carries $25,000, $1,000 deductible, counterfeit coverage, $25,000, $1,000 deductible, computer fraud coverage, and $25,000, $1,000 deductible, forgery and alterations coverage. These bonds are provided by the Ohio School Plan.

Workers' Compensation

For fiscal year 2022, the School District participated in the Ohio School Boards' Association Workers' Compensation Group Rating Program (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 Comp Management, Incorporated provides administrative, cost control and actuarial services to the GRP.

Note 13 – Other Employee Benefits

Compensated Absences

The criteria for determining vacation, personal and sick leave benefits are derived from negotiated agreements and State laws. Only administrative and school support personnel earn annual vacation leave which is paid upon separation with the School District. Noncertified employees can carry up to ten unused vacation leave days into the next fiscal year. The Superintendent and the Treasurer earn 20 vacation days leave per fiscal year, respectively. The Superintendent can carry over 5 unused vacation days.

The two exempt employees earn three vacation weeks leave per fiscal year. School support personnel earn annual vacation leave as follows:

Completed Service	Vacation Leave
After one year	10 days
After eight years	15 days
After thirteen years	20 days
After twenty years	25 days
After Twenty five years	Same as after 20 years with addition of a floating holiday

Each staff member is entitled to fifteen days sick leave with pay each year. The sick leave accrues at the rate of one and one fourth days for each calendar month. Upon retirement, an employee is paid a severance benefit, calculated at current wage rates, for the value of thirty-two percent of their accumulative sick leave up to a maximum of 310 accumulated days for certified employees with the balance being forfeited and an unlimited number of accumulated days for classified employees. The severance benefit for classified employees who retire the first year they become eligible and who have at least five years of service with the School District may elect to receive a cash payment equal to fifty percent of their accumulated, accumulated but unused sick leave credit. The severance benefit for employees who retire after June 30th of the first year they become eligible and who have at least five years of service with the School District shall receive a cash payment equal to thirty-two percent of their accumulated, unused sick leave.

Life Insurance Benefits

Life insurance is offered to all full-time employees in the amount of $50,000 through American United Life and Grady Benefits with payment of $4.75 per month. The administration is covered for $100,000 with payments of $9.50 per month.

Health Insurance Benefits

The School District entered into a contract with the Suburban Health Consortium on April 1, 2017, a shared risk pool (Note 17) to provide group health, dental, vision, life and prescription insurance coverage. Rates are set or determined by the Board of Directors. The School District pays a monthly contribution which is placed in a reserve fund from which the claims payments are made for all participating districts.

Note 14 – Contingencies

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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds; however, in the opinion of management, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2022, if applicable, cannot be determined at this time.

School Foundation

In fiscal year 2022, School District foundation funding was 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 2022 have been finalized. The FTE adjustments made by ODE subsequent to year-end were not material to the financial statements.

Litigation

The School District is not a party to any legal proceedings.

Note 15 – Insurance Purchasing Pool

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association (OSBA). The Executive Director of the OSBA, or designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Note 16 – Jointly Governed Organizations

Polaris Career Center

The Polaris Career Center is a separate body politic and corporate, established by the Ohio Revised Code to provide for the vocational and special education needs of the students. The Board of Education is comprised of representatives from the board of each participating school district. The Board is responsible for approving its own budgets, appointing personnel and accounting and finance related activities. Brooklyn City School District students may attend the vocational school. Each school district's control is limited to its representation on the board. The School District did not contribute to Polaris Career Center during fiscal year 2022. Financial information can be obtained by contacting the Treasurer at the Polaris Career Center, 7285 Old Oak Boulevard, Middleburg Heights, Ohio 44130.

Ohio Schools' Council

The Ohio Schools' Council (Council) is a jointly governed organization among 254 members. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board exercises total control over the operations of the Association including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2022, the School District paid $396 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The School District participates in the Council's natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Constellation New Energy (formerly Compass Energy) has been selected as the supplier and program manager for the period from July 1, 2021 through June 30, 2022. There are currently 161 participants in the program, including the Brooklyn City School District. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

Northeast Ohio Network for Educational Technology

The Northeast Ohio Network for Educational Technology (NEOnet) is the computer service organization or Data Acquisition Site (DAS) used by the School District. NEOnet is a jointly governed organization among numerous school districts, three career centers, two cities, and two educational service centers. The Metropolitan Regional Service Council acts as the fiscal agent for the consortium. The jointly governed 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 school districts. The Board of Directors consists of member district superintendents and treasurers. The manager/director is a permanent, non-voting member of the board of directors. Each school district's control is limited to its representation on the board. The Board of Directors exercise total control over the operations of the association including budgeting, appropriating, contracting and designating management. All association revenues are generated from charges for services and State funding. The School District does not retain an ongoing financial interest or an ongoing financial responsibility in NEOnet. Payments to NEOnet are made from the general fund. In fiscal year 2022, the School District paid $170,710 to NEOnet. Financial information can be obtained by writing to the Northeast Ohio Network for Educational Technology, 700 Graham Road, Cuyahoga Falls, Ohio 44221.

Note 17 – Public Entity Risk Pool

The Suburban Health Consortium ("the Consortium") is a shared health risk pool created on October 1, 2001, formed by the Boards of Education of several school districts in northeast Ohio, for the purposes of maximizing benefits and/or reducing costs of group health, life, dental, and/or other insurance coverages for their employees and the eligible dependents and designated beneficiaries of such employees. The Consortium was formed and operates as a legally separate entity under Ohio Revised Code Section 9.833. The Board of Directors is the governing body of the Consortium. The Board of Education of each Consortium Member appoints its Superintendent or such Superintendent's designee to be its representative on the Board of Directors. The officers of the Board of Directors consist of a Chairman, Vice-Chairman and Recording Secretary, who are elected at the annual meeting of the Board of Directors and serve until the next annual meeting. All of the authority of the Consortium is exercised by or under the director of the Board of Directors. The Board of Directors also sets all premiums and other amounts to be paid by the Consortium members, and the Board of Directors have the authority to waive premiums and other payments. All members of the Board of Directors serve without compensation.

The Fiscal Agent shall be the Board of Education responsible for administering the financial transactions of the Consortium (Orange City School District). The Fiscal Agent shall carry out the responsibilities of the Consortium Fund, enter into contracts on behalf of the Consortium as authorized by the Directors and carry out such other responsibilities as approved by the Director and agreed to by the Fiscal Agent. Each District Member enrolled in a benefit program may require contributions from its employees toward the cost of any benefit program being offered by such District Member, and such contributions shall be included in the payments from such District Member to the Fiscal Agent for such benefit program. Contributions are to be submitted by each District Member, to the Fiscal Agent, required under the terms of the Consortium Agreement and any benefit program in which such District Member is enrolled to the Fiscal Agent on a monthly basis, or as otherwise required in accordance with any benefit program in which such District Member is enrolled. All general administrative costs incurred by the Consortium that are not covered by the premium payments shall be shared equally by the Consortium Members as approved by the Directors, and shall be paid by each Consortium Member upon receipt of notice from the Fiscal Agent that such payment is due. It is the express intention of the Consortium Members that the Consortium Agreement and the Consortium shall continue for an indefinite term, but may be terminated as provided in the Consortium Agreement.

Any Consortium Member wishing to withdraw from participation in the Consortium or any benefit program shall notify the Fiscal Agent at least one hundred and eighty (180) days prior to the effective date of withdrawal. Upon withdrawal of a Consortium Member, the Consortium shall pay the run out of all claims for such Consortium Member provided such Consortium Member has paid to the Consortium, prior to the effective date of withdrawal a withdrawal fee in the amount equal to two months' premiums at the Consortium Member's current rate. Payment of the withdrawal fee does not extend insurance coverage for two months. Upon automatic withdrawal, for non-payment of premiums required by the Consortium

Agreement, the Consortium shall pay the run out of all claims for such Consortium Member provided the Consortium has received from such Consortium Member all outstanding and unpaid premiums and other amounts and the withdrawal fee equal to two months' premiums at the Consortium Member's current rates. Any Consortium Member which withdraws from the Consortium pursuant to the Consortium Agreement shall have no claim to the Consortium's assets. Financial information for the Consortium can be obtained from the Treasurer of the Orange City School District (the Fiscal Agent) at 32000 Chagrin Boulevard, Pepper Pike, Ohio 44124.

Note 18 – Long-Term Obligations

The changes in the School District's long-term obligations during fiscal year 2022 were as follows:

	Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022	Due In One Year
Governmental Activities:					
General Obligation Bonds:					
2014 School Improvement Bonds:					
Capital Appreciation Bonds	$25,886	$0	($25,886)	$0	$0
Accretion	363,886	75,228	(439,114)	0	0
Unamortized Discount	(4,620)	0	4,620	0	0
Unamortized Premium	35,040	0	(35,040)	0	0
Total 2014 School Improvement Bonds	420,192	75,228	(495,420)	0	0
2018 Refunding Bonds:					
Serial Bonds	3,595,000	0	(180,000)	3,415,000	0
Terms Bonds	20,690,000	0	0	20,690,000	0
Capital Appreciation Bonds	674,967	0	0	674,967	222,499
Accretion	798,464	327,684	0	1,126,148	422,501
Unamortized Discount	(150,420)	0	5,278	(145,142)	0
Unamortized Premium	3,291,603	0	(115,495)	3,176,108	0
Total 2018 Refunding Bonds	28,899,614	327,684	(290,217)	28,937,081	645,000
Total General Obligation Bonds	29,319,806	402,912	0	28,937,081	645,000
Energy Conservation Loan	369,155	0	(59,467)	309,688	60,276
Financed Purchases	131,503	0	(131,503)	0	0
Lease	0	130,211	(25,033)	105,178	25,527
Compensated Absences	2,007,358	50,677	(43,758)	2,014,277	48,184
Net Pension Liability:					
SERS	3,615,030	0	(1,680,530)	1,934,500	0
STRS	15,338,908	0	(7,027,920)	8,310,988	0
Total Net Pension Liability	18,953,938	0	(8,708,450)	10,245,488	0
Net OPEB Liability:					
SERS	1,226,346	0	(207,834)	1,018,512	0
Total Long-Term Liabilities	$52,008,106	$583,800	($9,176,045)	$42,630,224	$778,987

On September 25, 2013, the School District issued $25,999,984 of general obligation bonds that were issued for the purpose of renovating, remodeling, rehabilitating, adding to, furnishing, equipping and otherwise improving school facilities, and acquiring, clearing and improving school facility sites. The general obligation bonds were issued for a 37 year period with a maturity date of December 1, 2049, and an interest rate of 2.00-5.50 percent. The bond issue includes serial, term and capital appreciation bonds in the amounts of $7,855,000, $17,960,000 and $184,984, respectively. The bonds were issued at a premium of $1,284,629 and a discount of $169,445 and will be amortized over 37 years using the straight-line method. On August 16, 2017, the School District partially refunded the general obligation bonds, specifically the serial and term bonds. The bonds were retired during fiscal year 2022.

On August 16, 2017, the School District issued $25,794,967 in general obligation bonds to refund a portion of the 2014 general obligation bonds in order to take advantage of lower interest rates. The general obligation bonds were issued for a 33 year period with a maturity date of December 1, 2049, and an interest rate of 2.00-5.00 percent. The bond issue includes serial, term and capital appreciation bonds in the amounts of $4,430,000, $20,690,000 and $674,967, respectively. The bonds were issued at a premium of $3,739,146 and a discount of $170,872 and will be amortized over 33 years using the straight-line method.

The capital appreciation bonds were originally sold at a discount of $1,905,033, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2026.

The maturity amount of outstanding capital appreciation bonds at June 30, 2022 is $2,580,000. The accretion recorded for fiscal year 2022 was $327,684, for a total outstanding bond liability of $1,801,115 at June 30, 2022.

The term bonds were issued for a 19 year period with a final maturity of December 1, 2049.

The term bonds maturing on December 1, 2032, 2034, 2036, 2038, 2042 and 2049 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on August 1 in the years and in the respective principal amounts as follows:

	2018 School Improvement Term Bonds					
Year	$1,545,000	$1,640,000	$1,750,000	$1,905,000	$4,315,000	$9,535,000
2032	$760,000	$0	$0	$0	$0	$0
2033	785,000	0	0	0	0	0
2034	0	810,000	0	0	0	0
2035	0	830,000	0	0	0	0
2036	0	0	860,000	0	0	0
2037	0	0	890,000	0	0	0
2038	0	0	0	930,000	0	0
2039	0	0	0	975,000	0	0
2040	0	0	0	0	1,025,000	0
2041	0	0	0	0	1,060,000	0
2042	0	0	0	0	1,095,000	0
2043	0	0	0	0	1,135,000	0
2044	0	0	0	0	0	1,170,000
2045	0	0	0	0	0	1,230,000
2046	0	0	0	0	0	1,290,000
2047	0	0	0	0	0	1,355,000
2048	0	0	0	0	0	1,425,000
2049	0	0	0	0	0	1,495,000
2050	0	0	0	0	0	1,570,000
Total	$1,545,000	$1,640,000	$1,750,000	$1,905,000	$4,315,000	$9,535,000
Stated Maturity	*12/1/2032*	*12/1/2034*	*12/1/2036*	*12/1/2038*	*12/1/2042*	*12/1/2049*

The remaining principal amount of the term bonds ($1,545,000, $1,640,000, $1,750,000, $1,905,000, $4,315,000 and $9,535,000) will mature at the stated maturity.

In fiscal year 2018, the School District issued $600,000 in an energy conservation loan agreement for the purpose of paying costs of installations, modifications, and remodeling of school buildings to conserve energy. The loans have an interest rate of 2.95 percent and will mature in fiscal year 2027.

In fiscal years 2020 and 2021, the School District entered into financed purchases with CSI Leasing, Incorporated, which originally matured in fiscal years 2024 and 2023, respectively, for Chromebooks throughout the School District. The School Districted elected to use Elementary and Secondary School Emergency Relief money to retire them in fiscal year 2022. The Chromebooks individually fell below the capitalization threshold to record as capital assets.

The School District's overall legal debt margin was $6,564,638 with an unvoted debt margin of $372,605 at June 30, 2022. Principal and interest requirements to retire long-term liabilities outstanding at June 30, 2022 are as follows:

	General Obligation Bonds						Energy Conservation Loan	
	Serial		Term		Capital Appreciation			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	$0	$1,003,335	$0	$0	$222,499	$422,501	$60,276	$8,424
2024	0	1,003,335	0	0	181,961	463,039	61,095	6,784
2025	0	1,003,335	0	0	148,808	496,192	61,926	5,122
2026	0	1,003,335	0	0	121,699	523,301	62,769	3,438
2027	645,000	1,003,335	0	0	0	0	63,622	1,730
2028-2032	2,770,000	3,817,140	760,000	886,310	0	0	0	0
2033-2037	0	0	4,175,000	4,061,138	0	0	0	0
2038-2042	0	0	5,085,000	3,155,560	0	0	0	0
2043-2047	0	0	6,180,000	2,059,340	0	0	0	0
2048-2050	0	0	4,490,000	456,250	0	0	0	0
Total	$3,415,000	$8,833,815	$20,690,000	$10,618,598	$674,967	$1,905,033	$309,688	$25,498

General obligation bonds were paid from the bond retirement fund. The energy conservation loan was paid from the general fund. The financed purchases were paid from the general fund and elementary and secondary school emergency relief funds. Compensated absences will be paid from the general fund and food service funds. There is no repayment schedule for the net pension liability or the net OPEB liability; however, employer pension and OPEB contributions are made from the general fund and food service funds. For additional information related to the net pension/OPEB liabilities see Notes 21 and 22.

The School District has an outstanding agreement to lease copiers. Due to the implementation of GASB Statement 87, this lease has met the criteria of leases, thus requiring them to be recorded by the School District. The future lease payments were discounted based on the interest rate implicit in the lease or using the School District’s incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. A summary of the principal and interest amounts for the remaining leases is as follows:

Year	Principal	Interest
2023	$25,527	$1,833
2024	26,032	1,328
2025	26,547	813
2026	27,072	288
Total	$105,178	$4,262

Note 19 – Set-Aside Calculation

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 amount for capital acquisitions. Disclosure of this information is required by State statute.

	Capital Improvements
Set-aside Balance as of June 30, 2021	$71,393
Current Year Set-Aside Requirement	208,658
Permanent Improvement Qualifying Expenditures	(174,879)
Total	$105,172
Set-aside Balance Carried Forward to Future Fiscal Years	$105,172
Set-aside Balance as of June 30, 2022	$105,172

Note 20 – Significant Commitments

Encumbrances

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

General	$487,014
Other Governmental Funds	1,132,819
Total	$1,619,833

Contractual Commitments

The amount of $2,844 in accounts payable has been capitalized. The amount remaining on this contract was encumbered at year end.

Note 21 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also include 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 health care to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the 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 22 for the required OPEB disclosures.

School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Age 65 with 5 years of service credit; or 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 30 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 0.5 percent COLA for calendar year 2021.

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, 2022, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was $299,641 for fiscal year 2022. Of this amount $20,287 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee 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 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. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be 5 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, 2026, when retirement eligibility will be 5 years of qualifying service credit and age 60, or 30 years of service credit at any 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 that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2022 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2022, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was $1,208,288 for fiscal year 2022. Of this amount $165,888 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, 2021, 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	0.05242957%	0.06500120%	
Prior Measurement Date	0.05465550%	0.06339324%	
Change in Proportionate Share	-0.00222593%	0.00160796%	
Proportionate Share of the Net Pension Liability	$1,934,500	$8,310,988	$10,245,488
Pension Expense	($114,556)	($55,662)	($170,218)

At June 30, 2022, 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	$187	$256,770	$256,957
Changes of assumptions	40,735	2,305,617	2,346,352
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	45,512	240,895	286,407
School District contributions subsequent to the measurement date	299,641	1,208,288	1,507,929
Total Deferred Outflows of Resources	$386,075	$4,011,570	$4,397,645
Deferred Inflows of Resources			
Differences between expected and actual experience	$50,169	$52,093	$102,262
Net difference between projected and actual earnings on pension plan investments	996,324	7,162,481	8,158,805
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	84,246	392,718	476,964
Total Deferred Inflows of Resources	$1,130,739	$7,607,292	$8,738,031

$1,507,929 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	($252,790)	($1,332,471)	($1,585,261)
2024	(248,815)	(1,052,770)	(1,301,585)
2025	(236,890)	(1,059,198)	(1,296,088)
2026	(305,810)	(1,359,571)	(1,665,381)
Total	($1,044,305)	($4,804,010)	($5,848,315)

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, 2021, compared with June 30, 2020, are presented as follows:

	June 30, 2021	June 30, 2020
Inflation	2.4 percent	3.00 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.50 percent to 18.20 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	2.5 percent
Investment Rate of Return	7.00 percent net of System expenses	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

Mortality rates for 2021 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.

Mortality rates for 2020 were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the 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 members were based upon the 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.

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 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

Discount Rate The total pension liability for 2021 was calculated using the discount rate of 7.00 percent. The discount rate for 2020 was 7.50 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 School District's proportionate share of the net pension liability calculated using the discount rate 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	$3,218,531	$1,934,500	$851,619

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2021, actuarial valuation compared to those used in the June 30, 2020, actuarial valuation are presented as follows:

	June 30, 2021	June 30, 2020
Inflation	2.50 percent	2.50 percent
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent	7.45 percent
Payroll Increases	3.00 percent	3.00 percent
Cost of Living Adjustments (COLA)	0.0 percent	0.0 percent

Post-retirement 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. 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, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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	28.00%	7.35%
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00%	

* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, and are net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2021, and was 7.45 percent as of June 30, 2020. 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 previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. 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, 2021.

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	$15,563,370	$8,310,988	$2,182,741

Changes Between the Measurement Date and the Reporting Date In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. These demographic measures include retirement, salary increase, disability/termination and mortality assumptions. In March 2022, the STRS Board approved benefit plan changes to take effect on July 1, 2022. These changes include a one-time 3 percent cost of living increase (COLA) to be paid to eligible benefit recipients and the elimination of the age 60 requirement for retirement age and service eligibility that was set to take effect in 2026. The effect on the net pension liability is unknown.

Note 22 – Defined Benefit OPEB Plans

See Note 21 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 health care benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report, which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2022, 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 2022, 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 2022, the School District's surcharge obligation was $37,110.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was $37,110 for fiscal year 2022, which is 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 postemployment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to postemployment health care.

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, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.05381605%	0.06500120%	
Prior Measurement Date	0.05642710%	0.06339324%	
Change in Proportionate Share	-0.00261105%	0.00160796%	
Proportionate Share of the:			
Net OPEB Liability	$1,018,512	$0	$1,018,512
Net OPEB (Asset)	$0	($1,370,496)	($1,370,496)
OPEB Expense	($43,532)	($105,873)	($149,405)

At June 30, 2022, 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	$10,856	$48,799	$59,655
Changes of assumptions	159,781	87,542	247,323
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	77,559	14,051	91,610
School District contributions subsequent to the measurement date	37,110	0	37,110
Total Deferred Outflows of Resources	$285,306	$150,392	$435,698
Deferred Inflows of Resources			
Differences between expected and actual experience	$507,266	$251,099	$758,365
Changes of assumptions	139,476	817,601	957,077
Net difference between projected and actual earnings on OPEB plan investments	22,128	379,878	402,006
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	217,976	50,956	268,932
Total Deferred Inflows of Resources	$886,846	$1,499,534	$2,386,380

$37,110 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 an increase to the net OPEB asset in the fiscal year ending June 30, 2023. 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:			
2023	($155,039)	($384,488)	($539,527)
2024	(155,194)	(374,980)	(530,174)
2025	(147,900)	(375,728)	(523,628)
2026	(107,202)	(161,277)	(268,479)
2027	(52,019)	(54,050)	(106,069)
Thereafter	(21,296)	1,381	(19,915)
Total	($638,650)	($1,349,142)	($1,987,792)

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, 2021, compared with June 30, 2020, are presented as follows:

	June 30, 2021	June 30, 2020
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate:		
Measurement Date	1.92 percent	2.45 percent
Prior Measurement Date	2.45 percent	3.13 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:		
Measurement Date	2.27 percent	2.63 percent
Prior Measurement Date	2.63 percent	3.22 percent
Medical Trend Assumption:		
Medicare	5.125 to 4.40 percent	5.25 to 4.75 percent
Pre-Medicare	6.75 to 4.40 percent	7.00 to 4.75 percent

For 2021, 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.

For 2020, mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

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 2015 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 SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 21.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2021, was 2.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2021, was 2.63 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, 2020, 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 1.92 percent at June 30, 2021, and 2.45 percent at June 30, 2020.

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 School District's proportionate share of the net OPEB liability for SERS, what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27 percent) and higher (3.27 percent) than the current discount rate (2.27 percent). Also shown is what the School District's proportionate share of the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75 percent decreasing to 3.40 percent) and higher (7.75 percent decreasing to 5.40 percent) than the current rate.

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
School District's proportionate share of the net OPEB liability	$1,262,061	$1,018,512	$823,949

	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	$784,171	$1,018,512	$1,331,521

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2021, actuarial valuation and the June 30, 2020, actuarial valuation are presented as follows:

	June 30, 2021	June 30, 2020
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.45 percent
Health Care Cost Trends:		
Medical:		
Pre-Medicare	5.00 percent initial, 4 percent ultimate	5.00 percent initial, 4 percent ultimate
Medicare	-16.18 percent initial, 4 percent ultimate	-6.69 percent initial, 4 percent ultimate
Prescription Drug:		
Pre-Medicare	6.50 percent initial, 4 percent ultimate	6.50 percent initial, 4 percent ultimate
Medicare	29.98 initial, 4 percent ultimate	11.87 initial, 4 percent ultimate

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

For 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, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 21.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2021, and was 7.45 percent as of June 30, 2020. 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, 2021. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB liability as of June 30, 2021.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rates The following table represents the School District's proportionate share of the net OPEB asset as of June 30, 2021, 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 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 School District's proportionate share of 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	($1,156,488)	($1,370,496)	($1,549,270)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	($1,542,026)	($1,370,496)	($1,158,386)

Changes Between the Measurement Date and the Reporting Date In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. The effect on the net OPEB liability (asset) is unknown.

Note 23 – 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 continues. During fiscal year 2022, the School District received COVID-19 funding. The School District's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. The financial impact of COVID-19 and the continuing recovery measures will impact subsequent periods of the School District. The impact on the School District's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

Note 24 – Subsequent Event

On November 8, 2022, voters passed the School District's Issue 4 five-year renewal levy, which will raise $2,254,000 annually.

Required Supplementary Information

Brooklyn City School District

Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
*Last Nine Fiscal Years (1) **

	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.05242957%	0.05465500%	0.05119770%
School District's Proportionate Share of the Net Pension Liability	$1,934,500	$3,615,030	$3,063,248
School District's Covered Payroll	$1,814,614	$1,816,086	$1,793,437
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	106.61%	199.06%	170.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.86%	68.55%	70.85%

(1) Although this schedule is intended to reflect information for ten years, information prior to fiscal year 2014 is not available. An additional column will be added each fiscal year.

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
0.05978930%	0.06093935%	0.06549260%	0.06876930%	0.06654200%	0.06654200%
$3,424,245	$3,640,992	$4,793,453	$3,924,042	$3,367,652	$3,957,039
$2,024,459	$1,872,329	$2,045,421	$2,097,132	$1,763,218	$1,886,069
169.14%	194.46%	234.35%	187.11%	190.99%	209.80%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

Brooklyn City School District

Required Supplementary Information

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

State Teachers Retirement System of Ohio

*Last Nine Fiscal Years (1) **

	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.06500120%	0.06339324%	0.06438015%
School District's Proportionate Share of the Net Pension Liability	$8,310,988	$15,338,908	$14,237,283
School District's Covered Payroll	$8,819,493	$7,676,093	$7,582,607
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	94.23%	199.83%	187.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.80%	75.50%	77.40%

(1) Although this schedule is intended to reflect information for ten years, information prior to fiscal year 2014 is not available. An additional column will be added each fiscal year.

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
0.06626676%	0.06865534%	0.06778870%	0.07175286%	0.07466164%	0.07466164%
$14,570,573	$16,309,224	$22,690,921	$19,830,392	$18,160,295	$21,632,424
$7,542,836	$7,240,393	$7,229,907	$7,652,064	$7,343,092	$7,550,038
193.17%	225.25%	313.85%	259.15%	247.31%	286.52%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

Brooklyn City School District

Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
*Last Six Fiscal Years (1) **

	2022	2021	2020
School District's Proportion of the Net OPEB Liability	0.05381605%	0.05642710%	0.05231551%
School District's Proportionate Share of the Net OPEB Liability	$1,018,512	$1,226,346	$1,315,625
School District's Covered Payroll	$1,814,614	$1,816,086	$1,793,437
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	56.13%	67.53%	73.36%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.08%	18.17%	15.57%

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

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

See accompanying notes to the required supplementary information

2019	2018	2017
0.05997730%	0.06150536%	0.06603470%
$1,663,932	$1,650,642	$1,882,233
$2,024,459	$1,872,329	$2,045,421
82.19%	88.16%	92.02%
13.57%	12.46%	11.49%

Brooklyn City School District

Required Supplementary Information

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

State Teachers Retirement System of Ohio

*Last Six Fiscal Years (1) **

	2022	2021	2020
School District's Proportion of the Net OPEB Liability (Asset)	0.06500120%	0.06339324%	0.06438015%
School District's Proportionate Share of the Net OPEB Liability (Asset)	($1,370,496)	($1,114,134)	($1,066,289)
School District's Covered Payroll	$8,819,493	$7,676,093	$7,582,607
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-15.54%	-14.51%	-14.06%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	174.70%	182.10%	174.70%

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

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

See accompanying notes to the required supplementary information

2019	2018	2017
0.06626676%	0.06865534%	0.06778870%
($1,064,839)	$2,678,678	$3,625,357
$7,542,836	$7,240,393	$7,229,907
-14.12%	37.00%	50.14%
176.00%	47.10%	37.30%

Brooklyn City School District

Required Supplementary Information
Schedule of the School District's Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2022	2021	2020	2019
Net Pension Liability:				
Contractually Required Contribution	$299,641	$254,046	$254,252	$242,114
Contributions in Relation to the Contractually Required Contribution	(299,641)	(254,046)	(254,252)	(242,114)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$2,140,293	$1,814,614	$1,816,086	$1,793,437
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.50%
Net OPEB Liability:				
Contractually Required Contribution (2)	$37,110	$41,174	$34,884	$40,186
Contributions in Relation to the Contractually Required Contribution	(37,110)	(41,174)	(34,884)	(40,186)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	1.73%	2.27%	1.92%	2.24%
Total Contributions as a Percentage of Covered Payroll (2)	15.73%	16.27%	15.92%	15.74%

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

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014	2013
$273,302	$262,126	$286,359	$276,402	$244,382	$261,032
(273,302)	(262,126)	(286,359)	(276,402)	(244,382)	(261,032)
$0	$0	$0	$0	$0	$0
$2,024,459	$1,872,329	$2,045,421	$2,097,132	$1,763,218	$1,886,069
13.50%	14.00%	14.00%	13.18%	13.86%	13.84%
$39,509	$31,977	$32,651	$50,827	$33,425	$31,309
(39,509)	(31,977)	(32,651)	(50,827)	(33,425)	(31,309)
$0	$0	$0	$0	$0	$0
1.95%	1.71%	1.60%	2.42%	1.90%	1.66%
15.45%	15.71%	15.60%	15.60%	15.76%	15.50%

Brooklyn City School District

Required Supplementary Information

Schedule of the School District's Contributions

State Teachers Retirement System of Ohio

Last Ten Fiscal Years

	2022	2021	2020	2019
Net Pension Liability:				
Contractually Required Contribution	$1,208,288	$1,234,729	$1,074,653	$1,061,565
Contributions in Relation to the Contractually Required Contribution	(1,208,288)	(1,234,729)	(1,074,653)	(1,061,565)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$8,630,629	$8,819,493	$7,676,093	$7,582,607
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability (Asset):				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

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

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014	2013
$1,055,997	$1,013,655	$1,012,187	$1,071,289	$954,602	$981,505
(1,055,997)	(1,013,655)	(1,012,187)	(1,071,289)	(954,602)	(981,505)
$0	$0	$0	$0	$0	$0
$7,542,836	$7,240,393	$7,229,907	$7,652,064	$7,343,092	$7,550,038
14.00%	14.00%	14.00%	14.00%	13.00%	13.00%
$0	$0	$0	$0	$73,431	$75,500
0	0	0	0	(73,431)	(75,500)
$0	$0	$0	$0	$0	$0
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

Beginning in fiscal year 2022, an assumption of 2.0 percent was used for COLA or Ad Hoc Cola. For fiscal years 2018 through 2021, an assumption of 2.5 percent was used. Prior to 2018, an assumption of 3 percent was used.

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

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

Amounts reported for 2022 use mortality rates based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members 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.

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

Changes in Assumptions – STRS

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

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

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees 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. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

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

Net OPEB Liability (Asset)

Changes in Assumptions – SERS

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

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

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

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

Changes in Assumptions – STRS

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

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

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

Changes in Benefit Terms – STRS

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

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

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

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

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

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Brooklyn City School District
Cuyahoga County
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022
(Prepared by Management)

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal ALN Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Child Nutrition Cluster			
Passed Through Ohio Department of Education			
Cash Assistance:			
National School Lunch Program	10.555	N/A	$ 80,736
National School Breakfast Program	10.553	N/A	19,844
National School Lunch Program - COVID 19	10.555	N/A	5,172
Direct Program			
Non-cash Assistance:			
National School Lunch Program - Donated Commodities	10.555	N/A	22,483
Total Child Nutrition Cluster			128,235
Total U.S. Department of Agriculture			**128,235**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Title I			
Title I Grants to Local Education Agencies	84.010	N/A	616,196
Title I - Non-competitive, Supplemental School Improvement	84.010	N/A	10,788
Total Title I			626,984
Special Education Cluster			
Special Education Grants to States - IDEA- B	84.027	N/A	308,034
ARP IDEA-B FY22	84.027	N/A	44,676
Special Education Early Childhood Education	84.173	N/A	4,269
ARP IDEA Preschool	84.173X	N/A	4,899
Total Special Education Cluster			361,878
Improving Teacher Quality State Grants - Title IIA	84.367A	N/A	56,719
Title IV-A Student Support and Academic Enrichment-FY21	84.424A	N/A	4,077
Title IV-A Student Support and Academic Enrichment- FY22	84.424A	N/A	43,296
Elementary and Secondary School Emergency Relief (ESSER) II	84.425D	N/A	776,704
ESSER III	84.425D	N/A	662,081
ARP Homeless	84.425D	N/A	6,711
Total ESSER			1,445,496
English Language Acquisition State Grants - Title III, Part A	84.365	N/A	19,109
Total U.S. Department of Education			**2,557,559**
U.S. DEPARTMENT OF THE TREASURY			
Passed Through Ohio Department of Education			
Coronavirus Relief Fund -BroadbandOhio Connectivity - COVID-19	21.019	N/A	1,800
Total U.S. Department of the Treasury			**1,800**
Total Expenditures of Federal Awards			**$ 2,687,594**

The accompanying notes are an integral part of this schedule.

Brooklyn City School District
Cuyahoga County
Notes to the Schedule of Expenditures of Federal Awards
2 CFR 200.510(b)(6)
For the Year Ended June 30, 2022
(Prepared by Management)

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Brooklyn City School District, Cuyahoga County, (the District's) under programs of the federal government for the year ended June 30, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

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

Brooklyn City School District
Cuyahoga County
9200 Biddulph Road
Brooklyn, Ohio 44144

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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brooklyn City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 15, 2022, wherein we noted the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases and related guidance from GASB Implementation Guide No. 2019-3, *Leases*. The District also had restatements in its fund balance/net position. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

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 purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Charles E. Harris & Associates, Inc.
December 15, 2022

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

Brooklyn City School District
Cuyahoga County
9200 Biddulph Road
Brooklyn, Ohio 44144

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Brooklyn City School District, Cuyahoga County, Ohio's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2022. The District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

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 the major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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.

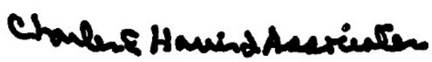
Report on Internal Control Over Compliance

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.



Charles E. Harris & Associates, Inc.
December 15, 2022

Brooklyn City School District
Cuyahoga County

Schedule of Findings
2 CFR § 200.515
June 30, 2022

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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OHIO AUDITOR OF STATE
KEITH FABER

BROOKLYN CITY SCHOOL DISTRICT

CUYAHOGA 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 2/2/2023

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