DEER PARK COMMUNITY CITY SCHOOL DISTRICT
HAMILTON COUNTY

Deer Park
Community
City Schools

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2022

PLATTENBURG
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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(800) 282-0370

Board of Directors
Deer Park Community City School District
8688 Donna Lane
Cincinnati, OH 45236

We have reviewed the *Independent Auditor's Report* of the Deer Park Community City School District, Hamilton County, prepared by Plattenburg & 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 Deer Park Community City School District is responsible for compliance with these laws and regulations.

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

December 28, 2022

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DEER PARK COMMUNITY CITY SCHOOL DISTRICT
HAMILTON COUNTY
FOR THE YEAR ENDED JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Deer Park Community City School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Deer Park Community City School District, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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, budgetary comparison schedules, and schedules of pension information and other postemployment information to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 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.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
December 12, 2022

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

Financial Highlights

Key financial highlights for 2022 are as follows:

- Net position of governmental activities increased $3,746,460 which represents a 135% increase from 2021.

- General revenues accounted for $20,645,466 in revenue or 83% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $4,359,314 or 17% of total revenues of $25,004,780.

- The District had $21,258,320 in expenses related to governmental activities; $4,359,314 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of $20,645,466 were also used to provide for these programs.

Overview of the Financial Statements

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

The *Statement of Net Position* and *Statements of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. The General Fund and Permanent Improvement Fund are the major funds of the District.

Government-wide Financial Statements

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the questions, "How did we do financially during 2022?". The Government-wide Financial Statements answers this question. These statements include *all assets and deferred outflows,* and *liabilities and deferred inflows* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net position* and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, the overall financial position of the District is presented in the following manner:

- Governmental Activities – The District's programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities, and interest and fiscal charges.

Fund Financial Statements

The analysis of the District's major funds is presented in the Fund Financial Statements. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

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

Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District as a Whole

As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2022 compared to 2021:

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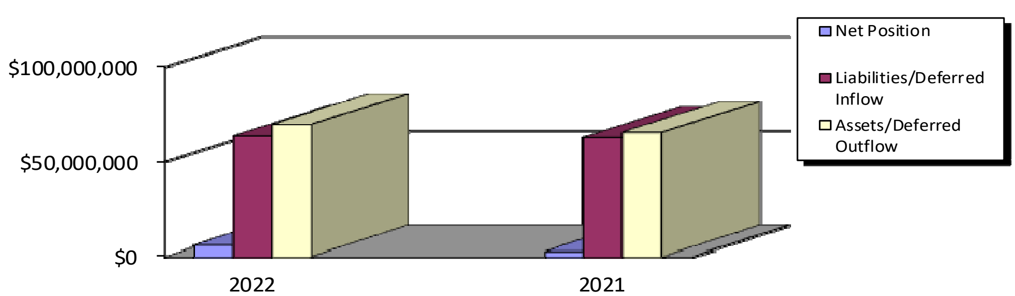
Table 1
Net Position

	Governmental Activities	
	2022	2021
Assets:		
Current and Other Assets	$33,195,003	$30,063,489
Net OPEB Asset	1,308,365	1,060,271
Capital Assets	29,946,547	30,308,667
Total Assets	64,449,915	61,432,427
Deferred Outflows of Resources:		
Pension	4,612,552	3,482,012
OPEB	719,108	801,976
Total Deferred Outflows of Resources	5,331,660	4,283,988
Liabilities:		
Other Liabilities	2,443,109	1,881,769
Long-Term Liabilities	40,418,571	49,999,834
Total Liabilities	42,861,680	51,881,603
Deferred Inflows of Resources:		
Property Taxes	8,880,361	8,043,128
Grants and Other Taxes	511,590	554,176
Pension	8,560,715	266,585
OPEB	2,446,054	2,196,208
Total Deferred Inflows of Resources	20,398,720	11,060,097
Net Position:		
Net Investment in Capital Assets	2,741,819	2,579,163
Restricted	6,544,573	6,606,363
Unrestricted	(2,765,217)	(6,410,811)
Total Net Position	$6,521,175	$2,774,715



Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2022, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $6,521,175.

At year-end, capital assets represented 46% of total assets. Capital assets include land, construction in progress, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2022, were $2,741,819. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, $6,544,573 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Current and other assets increased due to an increase in pooled cash and investments. Long-term liabilities decreased mainly due to a decrease in the amount of the net pension liability for the District. Table 2 shows the changes in net position for fiscal years 2022 and 2021.

Table 2
Changes in Net Position

	Governmental Activities	
	2022	2021
Revenues:		
Program Revenues		
Charges for Services	$476,416	$328,724
Operating Grants, Contributions	3,882,898	2,272,473
General Revenues:		
Property Taxes	15,936,834	15,806,630
Grants and Entitlements	3,958,231	4,080,243
Other	750,401	881,964
Total Revenues	25,004,780	23,370,034
Program Expenses:		
Instruction	12,056,587	13,290,625
Support Services:		
Pupil and Instructional Staff	1,966,632	1,908,588
School Administrative, General Administration, Fiscal and Business	2,290,526	2,707,525
Operations and Maintenance	1,932,174	1,982,879
Pupil Transportation	395,234	382,549
Central	180,632	196,045
Operation of Non-Instructional Services	757,023	598,177
Extracurricular Activities	660,385	643,938
Interest and Fiscal Charges	1,019,127	1,031,495
Total Program Expenses	21,258,320	22,741,821
Change in Net Position	3,746,460	628,213
Beginning Net Position	2,774,715	2,146,502
Ending Net Position	$6,521,175	$2,774,715

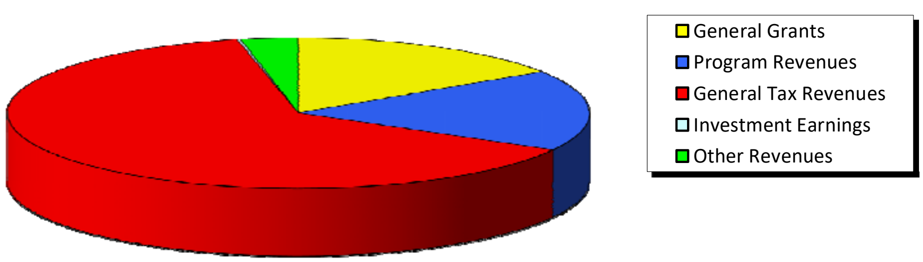
The District revenues are mainly from two sources. Property taxes levied for general, debt service, and capital projects purposes and grants and entitlements comprised 81% of the District's revenues for governmental activities.

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at $100,000 and taxed at 1.0 mill would pay $35.00 annually in taxes. If three years later the home were reappraised and increased to $200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay $35.00.

Thus, Ohio districts dependent upon property taxes are hampered by a lack of revenue growth. Property taxes represents 65% of revenue for governmental activities for the District in fiscal year 2022.

Governmental Activities
Revenue Sources

	2022	Percentage
General Grants	$3,958,231	15.83%
Program Revenues	4,359,314	17.43%
General Tax Revenues	15,936,834	63.74%
Investment Earnings	(46,745)	-0.19%
Other Revenues	797,146	3.19%
Total Revenue Sources	$25,004,780	100.00%



Instruction comprises 57% of governmental program expenses. Support services expenses were 32% of governmental program expenses. All other expenses including interest and fiscal charges were 11%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Revenues increased mainly due to an increase in property tax revenues and program revenues. Expenses decreased from 2021 to 2022 due to changes related to net pension adjustments.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government 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	$12,056,587	$13,290,625	($9,792,094)	($11,990,159)
Support Services:				
Pupil and Instructional Staff	1,966,632	1,908,588	(1,347,683)	(1,451,376)
School Administrative, General Administration, Fiscal and Business	2,290,526	2,707,525	(2,070,315)	(2,626,385)
Operations and Maintenance	1,932,174	1,982,879	(1,825,695)	(1,902,942)
Pupil Transportation	395,234	382,549	(327,099)	(344,168)
Central	180,632	196,045	(163,604)	(196,045)
Operation of Non-Instructional Services	757,023	598,177	198,530	(10,677)
Extracurricular Activities	660,385	643,938	(551,919)	(587,377)
Interest and Fiscal Charges	1,019,127	1,031,495	(1,019,127)	(1,031,495)
Total Expenses	$21,258,320	$22,741,821	($16,899,006)	($20,140,624)

The District's Funds

The District has two major governmental funds: the General Fund and the Permanent Improvement Fund. Assets of the General Fund comprised $24,906,186 (73%) and the Permanent Improvement Fund comprised $4,026,822 (12%) of the total $34,115,977 governmental funds' assets.

General Fund: Fund balance at June 30, 2022 was $14,530,271, an increase in fund balance of $1,900,852 from 2021. Fund balance increased compared to the prior year due to an increase in property tax revenues.

Permanent Improvement Fund: Fund balance at June 30, 2022 was $3,019,667, a decrease in fund balance of $350,375 from 2021. The primary reason for the decrease in fund balance was due to an increase in expenditures compared to prior year.

General Fund Budgeting Highlights

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

During the course of fiscal 2022, the District amended its general fund budget. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, final budget basis revenue was $17,719,628, compared to original budget estimates of $16,624,586. Of the $1,095,042 difference, most was due to an under estimate for tax and intergovernmental revenue.

The District's general fund ending unobligated cash balance was $9,624,185 at fiscal year end.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2022, the District had $29,946,547 invested in land, construction in progress, buildings and improvements, and equipment. Table 4 shows fiscal 2022 balances compared to fiscal 2021:

Table 4
Capital Assets at Year End
(Net of Depreciation)

	Governmental Activities	
	2022	2021
Land	$779,141	$779,141
Construction in Progress	689,236	142,490
Buildings and Improvements	27,566,300	28,490,288
Equipment	911,870	896,748
Total Net Capital Assets	$29,946,547	$30,308,667

The decrease in capital assets is due to current year additions being less than current year disposals and depreciation. See Note 6 to the basic financial statements for further details on the District's capital assets.

Debt

At June 30, 2022, the District had $27,204,728 in outstanding debt, $481,640 due within one year. Table 5 summarizes bonds and debt outstanding at year end.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2022	2021
2013 Energy Conservation Improvement HB 264 Bonds	$133,462	$179,001
2015 Certificates of Participation	3,070,000	3,160,000
Discount on 2015 Certificates of Participation	(7,623)	(7,955)
2017 NBQ Bonds	13,370,000	13,660,000
Premium on 2017 NBQ Bonds	1,290,768	1,331,104
2018 NBQ BONDS	9,145,000	9,195,000
Premium on 2018 NBQ Bonds	203,121	212,354
Total Outstanding Debt at Year End	$27,204,728	$27,729,504

See Note 7 to the basic financial statements for further details on the District's long-term liabilities.

For the Future

The Ohio Department of Education explains the school funding model in Ohio as follows:

The funding of K-12 public schools in Ohio is a joint effort between the state and local school districts. Since the 1970s through FY 2009, with the exception of a few years, Ohio's funding formula was foundation based by means of which a per pupil amount determined by the General Assembly as the per-pupil resource for provision of a basic adequate education was multiplied by the number of pupils to determine the base funding of the school districts. From this product, the local share of the basic adequate amount or the charge off was subtracted to arrive at the state share of the base funding. Additional funding was also provided for services targeted to categories of pupils such as handicapped, vocational, gifted, and economically disadvantaged as well as some adjustments and funding guarantees. The 2010-11 biennial budget (Am. Sub. H.B. 1 of the 128th General Assembly), established a new funding formula called the Evidence-Based Model (EBM). Am. Sub. H.B. 153 of the 129th General Assembly repealed the EBM and implemented a temporary funding formula for the 2012-13 biennial budget as a new school funding formula is developed. The temporary formula was called the Bridge formula.

HB59 was enacted in June 2013 and with it came a new school funding formula. Aid through the new formula is generated through nine key areas. Opportunity Grant dollars are a base aid amount. Targeted Assistance funds provide additional aid based on the relative wealth of the local area. Categorical funding dollars are provided for Special Education, LEP, Economically Disadvantaged, Gifted, and Career Tech. In addition, funding has been added for K-3 Literacy (to help with the 3rd Grade Reading Guarantee) and Transportation. In an attempt to smooth the transition from the BRIDGE to the new formula, foundation funding to districts is subject to caps and guarantees. To prevent districts from receiving less than their foundation funding from the prior year, the state gives the district Transitional Aid (guarantee) money to fill the gap. At the same time, districts are capped at receiving no more than a 6.25% increase in their state funding for FY14. This balancing act minimizes huge spikes and drastic losses in funding in the first two years of the formula, but also results in unpredictable state revenue from biennium to biennium. In FY14 the District was on the cap, in FY15 the District was on the formula, and in FY16, FY18, FY19, and FY20 the District was on the guarantee.

The District remains concerned about the instability of the national, state, and local economies as well as any future political ramifications of the current fully implemented funding model since the District fluctuates between the cap, formula, and guarantee, enrollment figures are extremely important to projecting state revenue. The state budget has a new funding formula up for vote coming in June/July 2019. This is the first bipartisan new formula calculation that has come out in the last 10 years. The newly elected Governor of Ohio will be approving the budget that will affect the next two fiscal years, FY20 and FY21. The Funding model for FY22 and FY23 are now being funded based on the newly passed Fair School Funding Act. Management will continually be updated on how the next two fiscal years will be affected as more information is disseminated from the Ohio Department of Education. The new Fair School Funding Formula is expected to have a positive impact on the District's Finances, however, this impact will be very small.

Management is required to plan carefully and prudently to provide the resources to meet student needs over the next several years. All of the District's financial abilities will be needed to meet the challenges of the future. With careful planning and monitoring of the District's finances, the District's management is confident that the District can continue to provide a quality education for our students and provide a secure financial future. The passage of the operating/permanent improvement levy in November 2013 and a bond levy in November 2016 further secured the District's financial outlook. In addition, the District received its first credit rating in recent history in early 2017. The stability of the surrounding community, as well as the positive cash balances on the financial forecast resulted in a very strong issuer credit rating of AA- from S&P. Based on the most current financial information, , the district placed an operating levy on the November 2021 ballot and passed the levy. The additional funding from this levy should help maintain a strong cash balance as well as stop the deficit spending for the next couple years.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer at Deer Park Community City School District, 8688 Donna Lane, Cincinnati, Ohio 45236.

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Deer Park Community City School District
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	$16,645,845
Restricted Cash and Investments	91,313
Receivables (Net):	
Taxes	15,732,198
Interest	3,878
Intergovernmental	711,739
Prepaids	10,030
Net OPEB Asset	1,308,365
Nondepreciable Capital Assets	1,468,377
Depreciable Capital Assets, Net	28,478,170
Total Assets	64,449,915
Deferred Outflows of Resources:	
Pension	4,612,552
OPEB	719,108
Total Deferred Outflows of Resources	5,331,660
Liabilities:	
Accounts Payable	48,548
Accrued Wages and Benefits	1,694,497
Contracts Payable	569,260
Retainage Payable	41,313
Accrued Interest Payable	89,491
Long-Term Liabilities:	
Due Within One Year	595,739
Due In More Than One Year:	
Net Pension Liability	10,915,308
Net OPEB Liability	1,575,487
Other Amounts	27,332,037
Total Liabilities	42,861,680
Deferred Inflows of Resources:	
Property Taxes	8,880,361
Grants and Other Taxes	511,590
Pension	8,560,715
OPEB	2,446,054
Total Deferred Inflows of Resources	20,398,720
Net Position:	
Net Investment in Capital Assets	2,741,819
Restricted for:	
Debt Service	2,431,054
Capital Projects	3,492,804
Locally Funded Programs	20,666
State Funded Programs	138,644
Federally Funded Programs	8,413
Student Activities	23,935
Food Service Operations	399,422
Other Purposes	29,635
Unrestricted	(2,765,217)
Total Net Position	$6,521,175

See accompanying notes to the basic financial statements.

Deer Park Community 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	$8,254,580	$206,707	$953,396	($7,094,477)
Special	3,643,300	90,673	920,384	(2,632,243)
Vocational	158,707	0	93,333	(65,374)
Support Services:				
Pupil	1,022,833	0	13,594	(1,009,239)
Instructional Staff	943,799	0	605,355	(338,444)
General Administration	87,661	0	0	(87,661)
School Administration	1,383,853	0	220,211	(1,163,642)
Fiscal	532,899	0	0	(532,899)
Business	286,113	0	0	(286,113)
Operations and Maintenance	1,932,174	6,798	99,681	(1,825,695)
Pupil Transportation	395,234	0	68,135	(327,099)
Central	180,632	0	17,028	(163,604)
Operation of Non-Instructional Services	757,023	63,772	891,781	198,530
Extracurricular Activities	660,385	108,466	0	(551,919)
Interest and Fiscal Charges	1,019,127	0	0	(1,019,127)
Totals	$21,258,320	$476,416	$3,882,898	(16,899,006)

General Revenues:	
Property Taxes Levied for:	
General Purposes	13,782,066
Debt Service Purposes	1,490,927
Capital Projects Purposes	663,841
Grants and Entitlements, Not Restricted	3,958,231
Revenue in Lieu of Taxes	532,852
Unrestricted Contributions	188,318
Investment Earnings	(46,745)
Other Revenues	75,976
Total General Revenues	20,645,466
Change in Net Position	3,746,460
Net Position - Beginning of Year	2,774,715
Net Position - End of Year	$6,521,175

See accompanying notes to the basic financial statements.

Deer Park Community City School District
Balance Sheet
Governmental Funds
June 30, 2022

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	$9,806,104	$3,266,557	$3,573,184	$16,645,845
Restricted Cash and Investments	50,000	32,595	8,718	91,313
Receivables (Net):				
Taxes	13,604,803	727,670	1,399,725	15,732,198
Interest	3,878	0	0	3,878
Intergovernmental	511,590	0	200,149	711,739
Interfund	920,974	0	0	920,974
Prepaids	8,837	0	1,193	10,030
Total Assets	24,906,186	4,026,822	5,182,969	34,115,977
Liabilities:				
Accounts Payable	32,106	0	16,442	48,548
Accrued Wages and Benefits	1,395,806	0	298,691	1,694,497
Compensated Absences	18,520	0	6,166	24,686
Contracts Payable	0	506,890	62,370	569,260
Retainage Payable	0	32,595	8,718	41,313
Interfund Payable	0	0	920,974	920,974
Total Liabilities	1,446,432	539,485	1,313,361	3,299,278
Deferred Inflows of Resources:				
Property Taxes	8,414,803	467,670	794,725	9,677,198
Grants and Other Taxes	511,590	0	4,318	515,908
Investment Earnings	3,090	0	0	3,090
Total Deferred Inflows of Resources	8,929,483	467,670	799,043	10,196,196
Fund Balances:				
Nonspendable	8,837	0	1,193	10,030
Restricted	0	3,019,667	3,509,866	6,529,533
Assigned	1,076,791	0	0	1,076,791
Unassigned	13,444,643	0	(440,494)	13,004,149
Total Fund Balances	14,530,271	3,019,667	3,070,565	20,620,503
Total Liabilities, Deferred Inflows and Fund Balances	$24,906,186	$4,026,822	$5,182,969	$34,115,977

See accompanying notes to the basic financial statements.

Deer Park Community City School District
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
June 30, 2022

Total Governmental Fund Balance		$20,620,503
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.		
Capital assets used in the operation of Governmental Funds		29,946,547
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Taxes	796,837	
Interest	3,090	
Intergovernmental	4,318	
		804,245
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(89,491)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(698,362)
Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	4,612,552	
Deferred inflows of resources related to pensions	(8,560,715)	
Deferred outflows of resources related to OPEB	719,108	
Deferred inflows of resources related to OPEB	(2,446,054)	
		(5,675,109)
Long-term liabilities and net OPEB assets are not available to pay for current period expenditures and are not due and payable in the current period and, therefore, are not reported in the funds.		
Net OPEB Asset	1,308,365	
Net Pension Liability	(10,915,308)	
Net OPEB Liability	(1,575,487)	
Other Amounts	(27,204,728)	
		(38,387,158)
Net Position of Governmental Activities		$6,521,175

See accompanying notes to the basic financial statements.

Deer Park Community City School District
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2022

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Taxes	$13,752,192	$668,913	$1,508,130	$15,929,235
Tuition and Fees	297,380	0	0	297,380
Investment Earnings	(41,158)	0	488	(40,670)
Intergovernmental	4,732,554	57,746	3,222,903	8,013,203
Extracurricular Activities	32,185	0	76,280	108,465
Charges for Services	0	0	63,772	63,772
Revenue in Lieu of Taxes	532,852	0	0	532,852
Gifts and Donations	0	42,500	0	42,500
Other Revenues	43,960	15,600	30,264	89,824
Total Revenues	19,349,965	784,759	4,901,837	25,036,561
Expenditures:				
Current:				
Instruction:				
Regular	6,152,700	10,320	1,964,401	8,127,421
Special	3,350,257	0	474,462	3,824,719
Vocational	177,332	0	0	177,332
Support Services:				
Pupil	1,051,218	0	47,601	1,098,819
Instructional Staff	447,720	0	572,439	1,020,159
General Administration	87,661	0	0	87,661
School Administration	1,408,373	0	210,726	1,619,099
Fiscal	555,035	9,718	22,401	587,154
Business	405,282	0	0	405,282
Operations and Maintenance	1,624,961	61,452	101,178	1,787,591
Pupil Transportation	384,009	0	0	384,009
Central	169,590	0	15,508	185,098
Operation of Non-Instructional Services	45,901	0	707,460	753,361
Extracurricular Activities	516,233	1,822	151,868	669,923
Capital Outlay	1,250	849,485	87,176	937,911
Debt Service:				
Principal Retirement	45,539	90,000	340,000	475,539
Interest and Fiscal Charges	4,108	112,337	953,250	1,069,695
Total Expenditures	16,427,169	1,135,134	5,648,470	23,210,773
Excess of Revenues Over (Under) Expenditures	2,922,796	(350,375)	(746,633)	1,825,788
Other Financing Sources (Uses):				
Transfers In	0	0	1,295,308	1,295,308
Transfers (Out)	(1,021,944)	0	(273,364)	(1,295,308)
Total Other Financing Sources (Uses)	(1,021,944)	0	1,021,944	0
Net Change in Fund Balance	1,900,852	(350,375)	275,311	1,825,788
Fund Balance - Beginning of Year	12,629,419	3,370,042	2,795,254	18,794,715
Fund Balance - End of Year	$14,530,271	$3,019,667	$3,070,565	$20,620,503

See accompanying notes to the basic financial statements.

Deer Park Community City School District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2022

Net Change in Fund Balance - Total Governmental Funds		$1,825,788
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.		
Capital assets used in governmental activities	1,139,579	
Depreciation Expense	(1,501,699)	
		(362,120)
Governmental funds report district pension contributions as expenditures. However in the Statement of Activites, the cost of pension benefits earned net of employer contributions is reported as pension and OPEB expense.		
District pension contributions for pension	1,599,778	
Pension Expense	74,530	
District pension contributions for OPEB	54,591	
OPEB Expense	43,313	
		1,772,212
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	7,599	
Interest	(6,075)	
Intergovernmental	(33,305)	
		(31,781)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		475,539
In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due.		1,331
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences	16,254	
Amortization of Bond Discount	(332)	
Amortization of Deferred Charge on Refunding	49,569	
		65,491
Change in Net Position of Governmental Activities		$3,746,460

See accompanying notes to the basic financial statements.

Note 1 - Description of the District

The Deer Park Community City School, Hamilton County, Ohio (the District) was chartered by the Ohio State Legislature in 1832 when state laws were enacted to create local Boards of Education. Today, the District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code.

The District operates under a locally elected five member Board form of government and provides educational services as authorized by its charter or further mandated by state and /or federal agencies. This Board controls the District's instructional and support facilities staffed by 50 non-certificated personnel and 102 certificated teaching and administrative personnel to provide services to students and other community members.

The District is the 20th largest in Hamilton County in terms of enrollment with a head count of 1,215. It currently operates one elementary school (grades Pre-K-6), and one junior /senior high school (grades 7-12).

Reporting Entity

In accordance with Governmental Accounting Standards Board [GASB] Statement 14, the financial reporting entity consists of a primary government. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

There are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing body is financially accountable. The District's major operations include education, pupil transportation, food service, and maintenance of District facilities.

The District is associated with three jointly governed organizations. These organizations are:

Jointly Governed Organizations:
- Hamilton Clermont Cooperative Information Technology Center
- Great Oaks Career Campuses
- Greater Cincinnati Insurance Consortium

These organizations are presented in Note 14.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the 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 most significant of the District’s accounting policies are described below.

Measurement Focus

Government-wide Financial Statements

The 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.

The government-wide statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the statement of net position. Fiduciary Funds are not included in entity-wide statements.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

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 current liabilities 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 reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The private purpose trust is reported using the economic resources measurement focus.

Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental and fiduciary. The focus of government fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

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Governmental Funds

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

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

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District does not have any fiduciary 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. Fiduciary funds also use the accrual basis of accounting. Differences in the actual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, 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 District, available means expected to be received within sixty days of fiscal year end.

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

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

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, including pension. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources include pension and other post employment benefits. These amounts are reported on the government wide statement of net position. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 8 and 9.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, OPEB, grants and other taxes (which includes tax incremental financing ‘TIF’), investment earnings, and pension. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance year 2023 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Other taxes (TIFs) have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants and other taxes and investment earnings have been recorded as deferred inflows on the governmental fund financial statements. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. For more pension and OPEB related information, see Notes 8 and 9.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

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

Equity In Pooled Cash And Investments

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as “Equity in Pooled Cash and Investments” on the financial statements.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposits and repurchase agreements are reported at cost.

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

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

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2022 amounted to ($41,158) credited to the General Fund and $488 credited to other governmental funds.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their aquisition value as of the date received. The District maintains a capitalization threshold of two thousand five hundred dollars ($2,500). The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Governmental Activities Estimated Lives
Buildings and Improvements	10-50 years
Equipment	5-20 years

Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for 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 District will compensate the employees for the benefits through paid time off or some other means. The 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 entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. Compensated absences are reported in governmental funds only if they have matured.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, 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.

Net Position

Net position represents the difference between assets and outflows of deferred resources, and liabilities and inflows of deferred resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the District's $6,544,573 in restricted net position, none were restricted by enabling legislation.

Interfund Activity

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

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables”. These amounts are eliminated in the governmental activities column on the Statement of Net Position.

As a general rule the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

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.

Restricted Assets

Restricted assets represent equity in pooled cash and investments set aside to establish a budget stabilization reserve.

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting,* the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the Board of Education.

Assigned – resources that are intended to be used for specific purposes as approved through the District’s formal purchasing procedure by the Treasurer.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts, which had been restricted, committed or assigned for said purposes.

The 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.

Note 3 - Equity in Pooled Cash and Investments

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the District into three categories:

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

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

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

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).

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2022, $4,822,245 of the District's bank balance of $5,227,692 was exposed to custodial credit risk because it was uninsured and collateralized.

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

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

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 50% of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of June 30, 2022, the District had the following investments:

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Investment Type	Fair Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
STAR Ohio	$8,002,233	N/A	0.10
Negotiable CDs	1,715,943	Level 2	1.13
Federal Farm Credit Bank	179,110	Level 2	1.23
Money Market Funds	66,667	N/A	0.00
U.S Government Agency Discount Notes	146,966	Level 2	0.74
U.S Treasury Note	1,045,594	Level 2	0.52
Federal Home Loan Bank	140,423	Level 2	3.72
Federal Home Loan Mortgage	235,871	Level 2	3.11
Total Fair Value	$11,532,807		
Portfolio Weighted Average Maturity			0.41

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Inputs to the valuation techniques used in fair the measurement for Level 2 include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 inputs are significant unobservable inputs. The above table identifies the District’s recurring fair value measurements as of June 30, 2021. STAR Ohio is reported at its share price (Net Asset value per share).

Interest Rate Risk – In accordance with the investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to three years.

Credit Risk – It is the District’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The District’s investments in Federal Farm Credit Bank, Federal Home Loan Bank, and Federal Home Loan Mortgage were rated AA+ by Standard & Poor’s and Aaa by Moody’s Investor Service. The District’s investments in STAR Ohio were rated AAAm by Standard & Poor’s. Negotiable CDs and Money Market Funds are not rated.

Concentration of Credit Risk – The District’s investment policy allows investments in U.S. Agencies or Instrumentalities. The District has invested 14.8% in Negotiable CDs, 1.6% in Federal Farm Credit Bank, 0.6% in Money Market Funds, 1.3% in U.S Government Agency Discount Notes, 9.1% in U.S Treasury Note, 1.2% in Federal Home Loan Bank, 2% in Federal Home Loan Mortgage, and 69.4% in STAR Ohio.

Custodial Credit Risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the District’s securities are either insured and registered in the name of the District or at least registered in the name of the District.

Note 4 – Property Taxes

Property taxes are levied and assessed on a calendar year basis while the School District 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 and public utility property located in the District. Real property tax revenue received in calendar 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 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 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 District receives property taxes from Hamilton County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2022, are available to finance fiscal year 2023 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2022. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2022. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2022, was $5,190,000 for the General Fund, $605,000 for the Debt Service Fund, and $260,000 for Other Governmental Funds, and is recognized as revenue.

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

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

	Amount
Agricultural/Residential and Other Real Estate	$272,135,920
Public Utility Personal	18,067,090
Total	$290,203,010

Note 5 – Receivables

Receivables at June 30, 2022 consisted of taxes, interfund, intergovernmental grants, and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

Note 6 – Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated:				
Land	$779,141	$0	$0	$779,141
Construction in Progress	142,490	774,259	227,513	689,236
Capital Assets, being depreciated:				
Buildings and Improvements	56,942,900	420,811	0	57,363,711
Equipment	2,492,749	172,022	0	2,664,771
Totals at Historical Cost	60,357,280	1,367,092	227,513	61,496,859
Less Accumulated Depreciation:				
Buildings and Improvements	28,452,612	1,344,799	0	29,797,411
Equipment	1,596,001	156,900	0	1,752,901
Total Accumulated Depreciation	30,048,613	1,501,699	0	31,550,312
Governmental Activities Capital Assets, Net	$30,308,667	($134,607)	$227,513	$29,946,547

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$917,858
Special	48,483
Support Services:	
Instructional Staff	73,419
School Administration	48,241
Business	1,570
Operations and Maintenance	268,228
Pupil Transportation	49,736
Central	15,728
Operation of Non-Instructional Services	34,303
Extracurricular Activities	44,133
Total Depreciation Expense	$1,501,699

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Note 7 – Long-Term Liabilities

Governmental Activities:	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
2013 Energy Convervation Improvement					
HB 264 Bonds	$179,001	$0	($45,539)	$133,462	$46,640
2015 Certificates of Participation	3,160,000	0	(90,000)	3,070,000	90,000
Discount on Certificates of Participation	(7,955)	0	332	(7,623)	0
2017 NBQ Bonds	13,660,000	0	(290,000)	13,370,000	295,000
Premium on 2017 NBQ Bonds	1,331,104	0	(40,336)	1,290,768	0
2018 NBQ Bonds	9,195,000	0	(50,000)	9,145,000	50,000
Premium on 2018 NBQ Bonds	212,354	0	(9,233)	203,121	0
Subtotal	27,729,504	0	(524,776)	27,204,728	481,640
Compensated Absences	$759,113	$130,549	($166,614)	$723,048	$114,099
Net Pension Liability	19,753,176	0	(8,837,868)	10,915,308	0
OPEB Liability	1,758,041	0	(182,554)	1,575,487	0
Total Long-Term Liabilities	$49,999,834	$130,549	($9,711,812)	$40,418,571	$595,739

The HB 264 bonds will be paid from the General Fund, the certificates of participation will be paid from the Permanent Improvement Fund and the NBQ bonds will be paid from the Debt Service Fund. Compensated absences will be paid from the fund from which the person is paid. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from their service.

In fiscal year 2013, the District issued $516,010 in HB265 bonds at an interest rate of 2.45% with a maturity date of March 1, 2025. These bonds will be used to make energy conservation improvements throughout the District.

In fiscal year 2015, the District issued $3,655,000 in certificates of participation with various interest rates (1.0% to 4.0%) with a maturity date of December 1, 2044. These certificates of participation will be used to make building improvements throughout the District.

In fiscal year 2017, the District issued $15,200,000 in NBQ bonds with various interest rates (2.00% to 5.25%) with a maturity date of December 1, 2053. These NBQ bonds will be used for the construction of a new building.

In fiscal year 2018, the District issued $9,550,000 in NBQ bonds with various interest rates (0.9% to 4%) with a maturity date of December 1, 2043. These NBQ bonds will be used for construction of a new building.

Principal and interest requirements to retire general obligation debt outstanding at year end are as follows:

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Fiscal Year	General Obligation Bonds		
Ending June 30	Principal	Interest	Total
2023	481,662	1,056,155	1,537,817
2024	492,811	1,039,925	1,532,736
2025	503,989	1,022,871	1,526,860
2026	480,000	1,003,581	1,483,581
2027	510,000	982,275	1,492,275
2028-2032	2,910,000	4,556,957	7,466,957
2033-2037	3,570,000	3,930,392	7,500,392
2038-2042	4,275,000	3,214,858	7,489,858
2043-2047	4,790,000	2,381,819	7,171,819
2048-2052	5,220,000	1,355,069	6,575,069
2053-2054	2,485,000	132,169	2,617,169
Total	$25,718,462	$20,676,071	$46,394,533

Note 8 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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

The remainder of this note includes the required pension disclosures. See Note 9 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description
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	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; 2.20% for the first thirty years of service and 2.50% 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 2.50% and with a floor of 0.00%. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 0.50% COLA for calendar year 2021 and 2.50% for 2022.

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Funding Policy
Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2022, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was $429,538 for fiscal year 2022. Of this amount $101,831 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0.00% 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 five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The DC Plan allows members to place all their member contributions and 9.53% of the 14.00% 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% of the 14.00% 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, 12.00% of the 14.00% member rate is deposited into the member's DC account and the remaining 2.00% 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 14.00% was equal to the statutory maximum rates. For fiscal year 2022, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was $1,170,240 for fiscal year 2022. Of this amount $195,040 is reported as accrued wages and benefits.

Net 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 District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

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	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	$2,981,101	$7,934,207	$10,915,308
Proportion of the Net Pension Liability:			
Current Measurement Date	0.08079500%	0.06205435%	
Prior Measurement Date	0.07795110%	0.06032840%	
Change in Proportionate Share	0.00284390%	0.00172595%	
Pension Expense	$34,048	($108,578)	($74,530)

At June 30 2022, 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	$288	$245,128	$245,416
Changes of assumptions	62,773	2,201,091	2,263,864
Changes in employer proportionate share of net pension liability	107,921	395,573	503,494
Contributions subsequent to the measurement date	429,538	1,170,240	1,599,778
Total Deferred Outflows of Resources	$600,520	$4,012,032	$4,612,552
Deferred Inflows of Resources			
Differences between expected and actual experience	$77,312	$49,731	$127,043
Net difference between projected and actual earnings on pension plan investments	1,535,354	6,837,768	8,373,122
Changes in employer proportionate share of net pension liability	21,836	38,714	60,550
Total Deferred Inflows of Resources	$1,634,502	$6,926,213	$8,560,715

$1,599,778 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the 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:

Fiscal Year Ending June 30:	SERS	STRS	Total
2023	($331,998)	($1,044,179)	($1,376,177)
2024	(295,210)	(828,455)	(1,123,665)
2025	(365,052)	(931,684)	(1,296,736)
2026	(471,260)	(1,280,103)	(1,751,363)
Total	($1,463,520)	($4,084,421)	($5,547,941)

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 below:

	June 30, 2021	June 30, 2020
Inflation	2.40%	3.00%
Future Salary Increases, including inflation	3.25% to 13.58%	3.50% to 18.20%
COLA or Ad Hoc COLA	2.00%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2.50%
Investment Rate of Return	7.00% net of system expenses	7.50% net of investments 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% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.30% for males and set forward 3 years and adjusted 106.80% 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, 120.00% of male rates, and 110.00% of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90.00% for male rates and 100.00% 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.

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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%. The discount rate for 2020 was 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	$4,959,820	$2,981,101	$1,312,361

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 below:

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Inflation	2.50%	2.50%
Projected Salary Increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.00% net of investments expense, including inflation	7.45% net of investments expense, including inflation
Discount Rate of Return	7.00%	7.45%
Payroll Increases	3.00%	3.00%
Cost-of-Living Adjustments (COLA)	0.00%	0.00%

Post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Table with 50.00% of rates through age 69, 70.00% of rates between ages 70 and 79, 90.00% of rates between ages 80 and 84, and 100.00% 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 90.00% of rates for males and 100.00% 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:

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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%, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021, and was 7.45% 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 above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2021.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	$14,857,799	$7,934,207	$2,083,786

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 three 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 9 - Defined Benefit OPEB Plans

See Note 8 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description

The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. 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 14.00% 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 2.00% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.50% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the District's surcharge obligation was $54,591.

The surcharge, added to the allocated portion of the 14.00% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $54,591 for fiscal year 2022.

Plan Description - State Teachers Retirement System (STRS)

Plan Description

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

Funding Policy

Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14.00% of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liabilities (Assets), OPEB Expense (Income), 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 District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	SERS	STRS	Total
Proportionate Share of the Net OPEB Liability	$1,575,487	$0	$1,575,487
Proportionate Share of the Net OPEB (Asset)	0	(1,308,365)	(1,308,365)
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.08324540%	0.06205435%	
Prior Measurement Date	0.08089170%	0.06032840%	
Change in Proportionate Share	0.00235370%	0.00172595%	
OPEB Expense	$58,883	($102,226)	($43,343)

At June 30 2022, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$16,793	$46,588	$63,381
Changes of assumptions	247,157	83,572	330,729
Changes in employer proportionate share of net OPEB liability	266,856	3,551	270,407
Contributions subsequent to the measurement date	54,591	0	54,591
Total Deferred Outflows of Resources	$585,397	$133,711	$719,108
Deferred Inflows of Resources			
Differences between expected and actual experience	$784,663	$239,717	$1,024,380
Changes of assumptions	215,750	780,537	996,287
Net difference between projected and actual earnings on OPEB plan investments	34,228	362,656	396,884
Changes in employer proportionate share of net OPEB liability	351	28,152	28,503
Total Deferred Inflows of Resources	$1,034,992	$1,411,062	$2,446,054

$54,591 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the 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:

Fiscal Year Ending June 30:	SERS	STRS	Total
2023	($94,326)	($368,211)	($462,537)
2024	(94,566)	(359,136)	(453,702)
2025	(114,549)	(348,716)	(463,265)
2026	(119,840)	(151,354)	(271,194)
2027	(64,048)	(51,269)	(115,317)
Thereafter	(16,858)	1,336	(15,522)
Total	($504,187)	($1,277,350)	($1,781,537)

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 below:

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

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% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.30% for males and set forward 3 years and adjusted 106.80% 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 105.50% for males and adjusted 122.50% 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, 120.00% of male rates and 110.00% of female rates. RP-2000 Disabled Mortality Table with 90.00% for male rates and 100.00% 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%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.
The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	-0.33%
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 discount rate used to measure the total OPEB liability at June 30, 2021 was 2.27%. The discount rate used to measure total OPEB liability prior to June 30, 2021, was 2.63%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 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% at June 30, 2021 and 2.45% at June 30, 2020.

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates

The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate.

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
Proportionate share of the net OPEB liability	$1,952,220	$1,575,487	$1,274,527

	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%)
Proportionate share of the net OPEB liability	$1,212,996	$1,575,487	$2,059,664

Actuarial Assumptions - STRS

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

	June 30, 2021	June 30, 2020
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.00%, net of investment expenses, including inflation	7.45%, net of investment expenses, including inflation
Payroll Increases	3.00%	3.00%
Discount Rate of Return	7.00%	7.45%
Health Care Cost Trends:		
Medical		
Pre-Medicare	5.00% initial, 4.00% ultimate	5.00% initial, 4.00% ultimate
Medicare	-16.18% initial, 4.00% ultimate	-6.69% initial, 4.00% ultimate
Prescription Drug		
Pre-Medicare	6.50% initial, 4.00% ultimate	6.50% initial, 4.00% ultimate
Medicare	29.98% initial, 4.00% ultimate	11.87% initial, 4.00% 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 50.00% of rates through age 69, 70.00% of rates between ages 70 and 79, 90.00% of rates between ages 80 and 84, and 100.00% 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

90.00% of rates for males and 100.00% 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% to 2.10% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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%, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2021, and was 7.45% 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% was used to measure the total OPEB liability as of June 30, 2021.

Sensitivity of the Proportionate Share of the Net OPEB (Asset) to Changes in the Discount and Health Care Cost Trend Rate

The following table represents the net OPEB asset as of June 30, 2021, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net OPEB (asset)	($1,104,058)	($1,308,365)	($1,479,033)

	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB (asset)	($1,472,118)	($1,308,365)	($1,105,870)

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 10 - Risk Management

The District is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters. The District addresses these risks by maintaining a comprehensive risk management program through the purchase of various types of liability, inland marine, and property insurance from private carriers. Settled claims have not exceeded commercial coverage in any of the past three years.

A summary of significant coverage follows:

Building Contents-replacement cost ($2,500 deductible)	$64,700,298
Inland Marine Coverage ($500 deductible)	300,000
Boiler and Machinery ($2,500 deductible)	61,570,319
Automobile Liability ($500 deductible)	1,000,000
Uninsured Motorists ($500 deductible)	1,000,000
General Liability per Occurrence	1,000,000
Total General Liability Aggregate per Year	3,000,000

Ohio Association of School Business Officials Workers' Compensation Group - The School District participates in the Ohio Association of School Business Officials Workers' Compensation Group Retrospective Rating Program, an insurance purchasing pool. Each year, the participating school districts pay an enrollment fee to the GRP to cover the cost of administering the program.

The intent of the program is to achieve the benefit of a reduced cost for the School District by virtue of its grouping and representation with other participants in the pool. Each participant pays its workers' compensation premium to the Bureau of Workers' Compensation and then receives rebates based on actual performance of the entire group.

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Note 11 - Contingent Liabilities

School District Funding

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2022 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2022 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of June 30, 2022.

Litigation

The District's attorney estimates that all other potential claims against the District not covered by insurance resulting from all other litigation would not materially affect the financial statements of the District.

Note 12 - Fund Balance Reserves for Set-Asides

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 year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

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

	Capital Acquisition	Budget Stabilization
Set Aside Reserve Balance as of June 30, 2021	$0	$50,000
Current Year Set Aside Requirements	210,858	0
Qualified Disbursements	(216,238)	0
Set Aside Reserve Balance as of June 30, 2022	($5,380)	$50,000
Restricted Cash as of June 30, 2022	$0	$50,000

Qualifying disbursements for capital activity during the year was $216,238, which exceeded the amount required for set-aside.

Note 13 - Interfund Transactions

Interfund transactions at June 30, 2022, consisted of the following transfer in and transfer out as well as interfund receivable and interfund payable:

	Transfers		Interfund	
	In	Out	Receivable	Payable
General Fund	$0	$1,021,944	$920,974	$0
Other Governmental Funds	1,295,308	273,364	0	920,974
Total All Funds	$1,295,308	$1,295,308	$920,974	$920,974

Interfund balance/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed. Transfers out of the other governmental funds were for the school wide building program in accordance with a consolidated funding application approved by the Ohio Department of Education. Transfer out of other governmental funds to the Permanent Improvement Fund was in accordance with the debt agreement. Transfers are in compliance with the Ohio Revised Code.

Note 14 - Jointly Governed Organizations

Hamilton Clermont Cooperative Information Technology Center

The School District is a participant in the Hamilton Clermont Cooperative Information Technology Center (HCC) which is a computer consortium. HCC is an association of public school districts within the boundaries of Hamilton and Clermont Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of HCC consists of the superintendents and/or treasurers of the participating members. HCC is not accumulating significant financial resources nor is it experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. Financial information can be obtained from the HCC Director, at 1007 Cottonwood Drive, Loveland, Ohio 45140.

Greater Cincinnati Insurance Consortium

For coverage related to certain benefits the District participates as a member of the Greater Cincinnati Insurance Consortium (GCIC), a shared risk pool, comprised of Hamilton County School Districts and the Hamilton County Educational Service Center. Decisions concerning the operation of the consortium are made by a Board of Directors consisting of one (1) representative selected from each participating member. Each member pays an administrative fee to the pool. Anthem Blue Cross Blue Shield provides claim review and processing.

Great Oaks Career Campuses

The Great Oaks Career Campuses are a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative each of the participating school districts' elected board. Great Oaks possesses its own budgeting and taxing authority. To obtain financial information, contact the Treasurer, Great Oaks Career Campuses, 3254 East Kemper Road, Cincinnati, Ohio 45241.

Note 15 – Accountability

The following fund had a deficit fund balance at June 30, 2022:

Fund	Deficit
Other Governmental Funds:	
Schoolwide Building Program	$323,320
Special Education	4,260
Student Activity	111,790

Note 16 –Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the 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 below:

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Fund Balances	General	Permanent Improvement	Other Governmental Funds	Total
Nonspendable:				
Prepaids	$8,837	$0	$1,193	$10,030
Total Nonspendable	8,837	0	1,193	10,030
Restricted for:				
Straight A Fund	0	0	97,894	97,894
Local Grants	0	0	20,666	20,666
Auxiliary Services	0	0	11,618	11,618
Vocational Education	0	0	1,395	1,395
School Net Professional Development	0	0	1,815	1,815
Ohio Reads	0	0	902	902
Miscellaneous State Grants	0	0	4,049	4,049
Student Activity	0	0	23,935	23,935
School to Work	0	0	872	872
Title III	0	0	5,768	5,768
Data Communications	0	0	21,600	21,600
Vocational Education Enrichment	0	0	766	766
Private Purpose Trust	0	0	29,635	29,635
Food Service	0	0	416,346	416,346
Coronavirus Relief	0	0	320	320
Debt Service	0	0	2,426,524	2,426,524
Permanent Improvement	0	3,019,667	0	3,019,667
Building	0	0	445,761	445,761
Total Restricted	0	3,019,667	3,509,866	6,529,533
Assigned to:				
Budgetary Resource	866,713		0	866,713
Public School	61,717	0	0	61,717
Encumbrances	148,361	0	0	148,361
Total Assigned	1,076,791	0	0	1,076,791
Unassigned (Deficit)	13,444,643	0	(440,494)	13,004,149
Total Fund Balance	$14,530,271	$3,019,667	$3,070,565	$20,620,503

Note 17 – Tax Abatements Entered Into By Other Governments

Other governments entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area ("CRA") program with the taxing districts of the District. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing districts of the District, the City of Deer Park has entered into such an agreement. Under this agreement the District's property taxes were reduced by approximately $5,076. The District is not receiving any amounts from this other government in association with the forgone property tax revenue.

Note 18 – 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 of 2021 while the national state of emergency continues. During fiscal year 2022, the School District received COVID-19 funding. 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 19 – Implementation of New Accounting Principles

For fiscal year 2022, the District implemented GASB Statement No. 87, Leases and related guidance from (GASB) Implementation Guide No. 2019-3, and GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period.

GASB Statement No. 87 sets out to improve the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, 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, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of GASB Statement No. 87 did not have an effect on the financial statements of the District.

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the District.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Nine Fiscal Years (1) (2)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.08079500%	$2,981,101	$2,788,393	106.91%	82.86%
2021	0.07795110%	5,155,850	2,733,236	188.64%	68.55%
2020	0.07957350%	4,761,022	2,610,467	182.38%	70.85%
2019	0.07243630%	4,148,561	2,530,578	163.94%	71.36%
2018	0.06443600%	3,849,909	2,080,329	185.06%	69.50%
2017	0.06595840%	4,827,546	2,048,421	235.67%	62.98%
2016	0.06706220%	3,826,634	2,456,813	155.76%	69.16%
2015	0.06378800%	3,228,274	1,872,266	172.43%	71.70%
2014	0.06378800%	3,794,403	2,565,954	147.87%	65.52%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Deer Park Community City School District
Required Supplementary Information
Schedule of the District's Contributions for Net Pension Liability
School Employees Retirement System of Ohio
Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2022	$429,538	($429,538)	$0	$3,068,129	14.00%
2021	390,375	(390,375)	0	2,788,393	14.00%
2020	382,653	(382,653)	0	2,733,236	14.00%
2019	352,413	(352,413)	0	2,610,467	13.50%
2018	341,628	(341,628)	0	2,530,578	13.50%
2017	291,246	(291,246)	0	2,080,329	14.00%
2016	286,779	(286,779)	0	2,048,421	14.00%
2015	323,808	(323,808)	0	2,456,813	13.18%
2014	259,496	(259,496)	0	1,872,266	13.86%
2013	355,128	(355,128)	0	2,565,954	13.84%

See accompanying notes to the required supplementary information.

Schedule of the District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Nine Fiscal Years (1) (2)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.06205435%	$7,934,207	$7,276,286	109.04%	87.78%
2021	0.06032840%	14,597,326	7,291,971	200.18%	75.50%
2020	0.05991815%	13,250,539	6,886,200	192.42%	77.40%
2019	0.05934393%	13,048,398	7,028,057	185.66%	77.30%
2018	0.06038365%	14,344,265	6,697,629	214.17%	75.30%
2017	0.06101365%	20,423,108	6,430,714	317.59%	66.80%
2016	0.05918154%	16,356,047	6,016,200	271.87%	72.10%
2015	0.05713094%	13,896,222	6,286,223	221.06%	74.70%
2014	0.05713094%	16,508,511	6,779,723	243.50%	69.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Deer Park Community City School District
Required Supplementary Information
Schedule of the District's Contributions for Net Pension Liability
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2022	$1,170,240	($1,170,240)	$0	$8,358,857	14.00%
2021	1,018,680	(1,018,680)	0	7,276,286	14.00%
2020	1,020,876	(1,020,876)	0	7,291,971	14.00%
2019	964,068	(964,068)	0	6,886,200	14.00%
2018	983,928	(983,928)	0	7,028,057	14.00%
2017	937,668	(937,668)	0	6,697,629	14.00%
2016	900,300	(900,300)	0	6,430,714	14.00%
2015	842,268	(842,268)	0	6,016,200	14.00%
2014	817,209	(817,209)	0	6,286,223	13.00%
2013	881,364	(881,364)	0	6,779,723	13.00%

See accompanying notes to the required supplementary information.

Schedule of the District's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
Last Six Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2022	0.08324540%	$1,575,487	$2,788,393	56.50%	24.08%
2021	0.08089170%	1,758,041	2,733,236	64.32%	18.17%
2020	0.08090870%	2,034,684	2,610,467	77.94%	15.57%
2019	0.07346570%	2,038,137	2,530,578	80.54%	13.57%
2018	0.06537240%	1,754,424	2,080,329	84.33%	12.46%
2017	0.06657749%	1,897,705	2,048,421	92.64%	11.49%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Schedule of the District's Contributions for Net OPEB Liability
School Employees Retirement System of Ohio
Last Seven Fiscal Years (1) (2)

Year	District's Contractually Required Contribution (2)	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2022	$54,591	($54,591)	$0	$3,068,129	0.56%
2021	53,178	(53,178)	0	2,788,393	1.91%
2020	51,976	(51,976)	0	2,733,236	1.90%
2019	59,444	(59,444)	0	2,610,467	2.28%
2018	52,249	(52,249)	0	2,530,578	2.06%
2017	35,559	(35,559)	0	2,080,329	1.71%
2016	32,554	(32,554)	0	2,048,421	1.59%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

(2) Includes surcharge.

See accompanying notes to the required supplementary information.

Deer Park Community City School District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB (Asset)/Liability
State Teachers Retirement System of Ohio
Last Six Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB Asset/Liability	District's Proportionate Share of the Net OPEB (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset)/Liability
2022	0.06205435%	($1,308,365)	$7,276,286	17.98%	174.73%
2021	0.06032840%	(1,060,271)	7,291,971	14.54%	182.13%
2020	0.05991815%	(992,388)	6,886,200	14.41%	174.74%
2019	0.05934393%	(953,596)	7,028,057	13.57%	176.00%
2018	0.06038365%	2,355,947	6,697,629	35.18%	47.10%
2017	0.06101365%	3,263,026	6,430,714	50.74%	37.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Schedule of the District's Contributions for Net OPEB (Asset)/Liability
State Teachers Retirement System of Ohio
Last Seven Fiscal Years (1)

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2022	$0	$0	$0	$8,358,857	0.00%
2021	0	0	0	7,276,286	0.00%
2020	0	0	0	7,291,971	0.00%
2019	0	0	0	6,886,200	0.00%
2018	0	0	0	7,028,057	0.00%
2017	0	0	0	6,697,629	0.00%
2016	0	0	0	6,430,714	0.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

Deer Park Community City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2022

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	$11,275,393	$12,018,090	$12,028,192	$10,102
Tuition and Fees	278,768	297,130	297,380	250
Investment Earnings	83,186	88,665	88,740	75
Intergovernmental	4,436,361	4,728,579	4,732,554	3,975
Extracurricular Activities	25,719	27,413	27,436	23
Other Revenues	525,159	559,751	560,221	470
Total Revenues	16,624,586	17,719,628	17,734,523	14,895
Expenditures:				
Current:				
Instruction:				
Regular	6,407,261	6,615,211	6,215,443	399,768
Special	3,469,766	3,582,379	3,365,890	216,489
Vocational	175,871	181,579	170,606	10,973
Support Services:				
Pupil	1,061,452	1,095,902	1,029,675	66,227
Instructional Staff	499,109	515,308	484,167	31,141
General Administration	107,202	110,682	103,993	6,689
School Administration	1,472,440	1,520,229	1,428,359	91,870
Fiscal	575,151	593,817	557,932	35,885
Business	410,623	423,950	398,330	25,620
Operations and Maintenance	1,711,055	1,766,588	1,659,830	106,758
Pupil Transportation	392,243	404,973	380,500	24,473
Central	174,563	180,229	169,337	10,892
Operation of Non-Instructional Services	27,268	28,153	26,452	1,701
Extracurricular Activities	537,251	554,688	521,167	33,521
Capital Outlay	5,154	5,322	5,000	322
Debt Service:				
Principal Retirement	45,539	45,539	45,539	0
Interest and Fiscal Charges	5,640	7,301	4,108	3,193
Total Expenditures	17,077,588	17,631,850	16,566,328	1,065,522
Excess of Revenues Over (Under) Expenditures	(453,002)	87,778	1,168,195	1,080,417
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	869	926	927	1
Advances In	186,695	198,993	199,160	167
Advances (Out)	(949,397)	(980,210)	(920,974)	59,236
Transfers (Out)	(1,053,483)	(1,087,674)	(1,021,944)	65,730
Total Other Financing Sources (Uses)	(1,815,316)	(1,867,965)	(1,742,831)	125,134
Net Change in Fund Balance	(2,268,318)	(1,780,187)	(574,636)	1,205,551
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	10,198,821	10,198,821	10,198,821	0
Fund Balance End of Year	$7,930,503	$8,418,634	$9,624,185	$1,205,551

See accompanying notes to the required supplementary information.

Note 1 – Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations 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 amount that the Board of Education may appropriate. The appropriation resolution is Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Board. The legal level of control has been established by Board at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2022.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Board during the year.

While the 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 Combined Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual 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 as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and expendable trust funds (GAAP basis).

4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.

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

Net Change in Fund Balance

	General
GAAP Basis	$1,900,852
Revenue Accruals	(1,615,442)
Expenditure Accruals	39,549
Proceeds of Capital Assets	927
Advances In	199,160
Advances (Out)	(920,974)
Encumbrances	(178,708)
Budget Basis	($574,636)

Note 2 - Net Pension Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:
2022: Cost of Living Adjustments (COLA) increased from 0.50% to 2.50%.

2020-2021: There were no changes in benefit terms from the amounts reported for this fiscal year.

2019: With the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2018: SERS changed from a fixed 3.00% annual increase to a Cost of Living Adjustments (COLA) based on the changed in the Consumer Price Index Index (CPI-W), with a cap of 2.50% and a floor of 0.00%.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:
2022: The following changes of assumptions affected the total pension liability since the prior measurement date:

(1) The assumed rate of inflation was reduced from 3.00% to 2.40%,
(2) Payroll growth assumption was reduced from 3.50% to 1.75%,
(3) Assumed real wage growth was increased from 0.50% to 0.85%,
(4) Cost of Living Adjustments (COLA) was reduced from 2.50% to 2.00%,
(5) The discount rate was reduced from 7.50% to 7.00%,
(6) Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and,
(7) Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

2018-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2017: The following changes of assumptions affected the total pension liability since the prior measurement date:

(1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
(2) Payroll growth assumption was reduced from 4.00% to 3.50%,

(3) Assumed real wage growth was reduced from 0.75% to 0.50%,
(4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
(5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
(6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates,
(7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, and
(8) The discount rate was reduced from 7.75% to 7.50%.

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

<u>State Teachers Retirement System (STRS)</u>

Changes in Benefit Terms:

2019-2022: There were no changes in benefit terms from the amounts reported for these fiscal years.

2018: STRS decreased the Cost of Living Adjustment (COLA) to zero.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2018: The following changes of assumptions affected the total pension liability since the prior measurement date:

(1) The long term expected rate of return was reduced from 7.75% to 7.45%,
(2) The inflation assumption was lowered from 2.75% to 2.50%,
(3) The payroll growth assumption was lowered to 3.00%,
(4) Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation,
(5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
(6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

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Note 3 - Net OPEB (Asset)/Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:
2017-2022: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:
2022: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:
- Prior Measurement Date 2.63%
- Measurement Date 2.27%

(2) Investment Rate of Return:
- Prior Measurement Date 7.50%
- Measurement Date 7.00%

(3) Assumed Rate of Inflation:
- Prior Measurement Date 3.00%
- Measurement Date 2.40%

(4) Payroll Growth Assumption:
- Prior Measurement Date 3.50%
- Measurement Date 1.75%

(5) Assumed Real Wage Growth:
- Prior Measurement Date 0.50%
- Measurement Date 0.85%

(6) Municipal Bond Index Rate:
- Prior Measurement Date 2.45%
- Measurement Date 1.92%

(7) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
- Prior Measurement Date 2.63%
- Measurement Date 2.27%

(8) Rates of withdrawal, retirement and disability were updated to reflect recent experience.

(9) Rate of health care participation for future retirees and spouses was updated to reflect recent.

(10) Mortality among active members was updated to the following:
  a. PUB-2010 General Amount Weighted Below Median Employee mortality table.

(11) Mortality among service retired members was updated to the following:
  a. PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.

(12) Mortality among beneficiaries was updated to the following:
  a. PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

(13) Mortality among disabled member was updated to the following:
  a. PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.

(14) Mortality rates are projected using a fully generational projection with Scale MP-2020.

2021: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:
  Prior Measurement Date 3.22%
  Measurement Date 2.63%
(2) Municipal Bond Index Rate:
  Prior Measurement Date 3.13%
  Measurement Date 2.45%
(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  Prior Measurement Date 3.22%
  Measurement Date 2.63%

2020: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:
  Prior Measurement Date 3.70%
  Measurement Date 3.22%
(2) Municipal Bond Index Rate:
  Prior Measurement Date 3.62%
  Measurement Date 3.13%
(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  Prior Measurement Date 3.70%
  Measurement Date 3.22%

2019: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:
  Prior Measurement Date 3.63%
  Measurement Date 3.70%
(2) Municipal Bond Index Rate:
  Prior Measurement Date 3.56%
  Measurement Date 3.62%
(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  Prior Measurement Date 3.63%
  Measurement Date 3.70%

2018: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:
  Fiscal Year 2018 3.63%
  Fiscal Year 2017 2.98%
(2) Municipal Bond Index Rate:
  Fiscal Year 2018 3.56%
  Fiscal Year 2017 2.92%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

2017: The following changes of assumptions affected the total OPEB liability since the prior measurement date:

(1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
(2) Payroll growth assumption was reduced from 4.00% to 3.50%,
(3) Assumed real wage growth was reduced from 0.75% to 0.50%,
(4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
(5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
(6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, and
(7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

2022: The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive $29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to $0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

2018: The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.10% to 1.90% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

2017: There were no changes in benefit terms from the amounts reported for this fiscal year.

Changes in Assumptions:
2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

2021: There were changes in assumptions during the measurement year, which decreased the total OPEB liability by approximately $0.26 billion. The assumption changes included changes in healthcare costs and trends.

2020: There were changes in assumptions during the measurement year, which increased the total OPEB liability by approximately $0.04 billion. The assumption changes included changes in healthcare costs and trends.

2019: The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

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

2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

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DEER PARK COMMUNITY CITY SCHOOL DISTRICT
HAMILTON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR *Pass Through Grantor* Program / Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education:			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	3L60	$43,567
Cash Assistance:			
School Breakfast Program	10.553	3L70	52,206
COVID - 19 National School Lunch Program	10.555	3L60	59,190
National School Lunch Program	10.555	3L60	405,952
Total - National School Lunch Program			465,142
Total Child Nutrition Cluster			560,915
COVID-19 State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	3HF0	614
Total U.S. Department of Agriculture			561,529
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education:			
Special Education Cluster:			
Special Education-Grants to States	84.027	3M20	317,081
COVID-19 Special Education-Grants to States	84.027X	3IA0	67,252
Special Education-Preschool Grants	84.173	3C50	10,164
COVID-19 Special Education-Preschool Grants	84.173X	3IA0	4,979
Total Special Education Cluster			399,476
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	3HS0	1,018,402
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	3HS0	431,396
Total Education Stabilization Fund			1,449,798
Title I Grants to Local Educational Agencies	84.010	3M00	254,147
Supporting Effective Instruction State Grants	84.367	3Y60	42,628
Student Support and Academic Enrichment Program	84.424	3HI0	21,041
Passed Through Hamilton County ESC:			
English Language Acquisition Grants	84.365	N/A	1,500
Total U.S. Department of Education			2,168,590
FEDERAL COMMUNICATIONS COMMISSION			
Passed Through Strategic Management Solutions of Westerville, Ohio:			
COVID - 19 Emergency Connectivity Fund Program	32.009	129885-2021	119,799
Total Federal Communications Commission			119,799
Total Expenditures of Federal Awards			$2,849,918

See accompanying notes to the Schedule of Expenditures of Federal Awards.

DEER PARK COMMUNITY CITY SCHOOL DISTRICT
HAMILTON COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Deer Park Community City School District (the District) 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, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

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 fair value. The District allocated donated food commodities to the respective program that benefited from the use of those donated food commodities.

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

Board of Education
Deer Park Community City School District

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 Deer Park Community City School District (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 12, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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www.plattenburg.com

Purpose of this Report

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
December 12, 2022

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

Board of Education
Deer Park Community City School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Deer Park Community City School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
December 12, 2022

DEER PARK COMMUNITY CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant Deficiency(s) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant Deficiency(s) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

Elementary and Secondary School Emergency Relief Fund ALN 84.425D and 84.425U

Dollar threshold used to distinguish between Type A and Type B Programs	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS

None

Section III – Federal Award Findings and Questioned Costs

None

DEER PARK COMMUNITY CITY SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

Summary of Prior Audit Findings and Questioned Costs:

None noted.

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OHIO AUDITOR OF STATE
KEITH FABER

DEER PARK COMMUNITY CITY SCHOOL DISTRICT

HAMILTON 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 1/10/2023