



OHIO AUDITOR OF STATE  
**KEITH FABER**





**IRONTON CITY SCHOOL DISTRICT  
LAWRENCE COUNTY  
JUNE 30, 2022**

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**IRONTON CITY SCHOOL DISTRICT  
LAWRENCE COUNTY  
JUNE 30, 2022**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Ironton City School District  
Lawrence County  
105 South Fifth Street  
Ironton, Ohio 45638

To the Board of Education:

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ironton City School District, Lawrence County, Ohio (the School District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Ironton City School District, Lawrence County, Ohio, as of June 30, 2022, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School 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.

#### **Emphasis of Matter**

As discussed in Note 22 to the financial statements, for fiscal year 2022, the School District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* and modified its approach related to eligibility requirements of certain School District grants resulting in the restatement to net position at July 1, 2021. Also, as discussed in Note 21 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the School District. We did not modify our opinion regarding these matters.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School 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 School District's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information**

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

**Supplementary Information**

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2023, on our consideration of the School 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 School 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 School District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio  
March 20, 2023

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**Ironton City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year June 30, 2022*  
*(Unaudited)*

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

### **Financial Highlights**

**Key financial highlights for the fiscal year 2022 are as follows:**

- Net Position of governmental activities increased \$1,361,339.
- General revenues accounted for \$14,129,241 or 70.11 percent of all revenues. Program specific revenues in the form of charges for services and sales, and grants, contributions, and interest accounted for \$6,023,493 or 29.89 percent of total revenues of \$20,152,734.
- The School District had \$18,791,395 in expenses related to governmental activities; \$6,023,493 of these expenses was offset by program specific charges for services and sales, grants, and contributions. General revenues of \$14,129,241 were adequate to cover the remaining expenses.

### **Using the Basic Financial Statements**

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

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

### ***Reporting the School District as a Whole***

#### *Statement of Net Position and Statement of Activities*

While this document contains information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2022?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, liabilities, and deferred outflows and inflows of resources 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 School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the Statement of Net Position and the Statement of Activities, all of the School District's activities are reported as Governmental Activities, including instruction, support services, operation of noninstructional services, and extracurricular activities.

**Ironton City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year June 30, 2022*  
*(Unaudited)*

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***Reporting the School District's Most Significant Funds***

*Fund Financial Statements*

The analysis of the School District's major fund begins on page 9. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for multiple financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund and the Bond Retirement Fund.

*Governmental Funds* – Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general governmental 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* – The School District's only fiduciary fund is a private purpose trust fund. All of the School District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds use the accrual basis of accounting.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2022 compared to 2021.

Table 1  
Net Position

	2022	2021*
Assets:		
Current and Other Assets	\$12,107,278	\$10,792,249
Capital Assets, Net	33,980,886	35,246,260
Total Assets	46,088,164	46,038,509
Deferred Outflows of Resources	5,149,839	4,769,710
Liabilities:		
Current and Other Liabilities	1,961,703	1,755,543
Long-Term Liabilities	24,181,078	32,871,884
Total Liabilities	26,142,781	34,627,427
Deferred Inflows of Resources	13,571,653	6,018,562

**Ironton City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year June 30, 2022*  
*(Unaudited)*

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Table 1  
Net Position  
(Continued)

	2022	2021*
Net Position:		
Net Investment in Capital Assets	\$23,441,012	\$24,428,524
Restricted	2,508,396	2,322,712
Unrestricted (Deficit)	(14,425,839)	(16,589,006)
Total Net Position	\$11,523,569	\$10,162,230

\*Restated. See note 22 of the notes to the basic financial statements for additional information.

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

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

Total assets increased \$49,655. Current and other assets increased by \$1,315,029 due primarily to an increase in cash and cash equivalents due to an increase in property tax collections, state foundation revenues, and other federal grants. Capital assets, net decreased by \$1,265,374 due to depreciation in excess of additions. Total liabilities decreased \$8,484,646. This was primarily due to a decrease in net pension liabilities in the amount of \$7,929,544 and payments on outstanding debt balance.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2022 and 2021.

**Ironton City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year June 30, 2022*  
*(Unaudited)*

Table 2  
Change in Net Position

	2022	2021
Revenues		
Program Revenues:		
Charges for Services and Sales	\$1,263,064	\$1,950,101
Operating Grants and Contributions	4,527,757	4,534,326
Capital Grants and Contributions	232,672	54,529
Total Program Revenues	6,023,493	6,538,956
General Revenues:		
Property Taxes	3,803,266	4,306,491
Grants and Entitlements Not Restricted to Specific Programs	10,250,354	9,290,065
Investment Earnings	4,901	8,233
Gifts and Donations	3,000	33,700
Miscellaneous	67,720	202,163
Total General Revenues	14,129,241	13,840,652
Total Revenues	20,152,734	20,379,608
Program Expenses:		
Instruction:		
Regular	6,926,666	8,826,092
Special	2,474,980	2,996,970
Vocational	220,981	253,721
Intervention and Other	664,255	162,655
Support Services:		
Pupils	936,627	1,208,292
Instructional Staff	192,636	152,077
Board of Education	461,674	402,952
Administration	1,339,214	1,497,592
Fiscal	656,198	691,047
Operation and Maintenance of Plant	1,766,302	1,758,235
Pupil Transportation	753,632	736,638
Central	153,903	174,928
Operation of Non-Instructional Services	987,929	923,124
Extracurricular Activities	719,321	745,956
Interest and Fiscal Charges	537,077	519,962
Total Expenses	18,791,395	21,050,241
Change in Net Position	1,361,339	(670,633)
Net Position at Beginning of Year-Restated	10,162,230	N/A
Net Position at End of Year	\$11,523,569	\$10,162,230

Property taxes made up approximately 18.87 percent of revenues for governmental activities for the School District. Of the remaining revenues, the School District receives 74.49 percent from state foundation, federal, and state grants; 6.27 percent from charges for services and sales; and 0.37 percent from investment earnings, gifts and donations, and miscellaneous.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. As the result of legislation enacted in 1976, the overall revenue generated by a levy will not increase solely as a result of inflation. Additionally, increases in property taxes would only have a nominal effect upon the School District's

**Ironton City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year June 30, 2022*  
*(Unaudited)*

total revenue. Basically, the mills collected decreases as the property valuation increases, thus generating about the same revenue.

Total program revenues decreased \$515,463 from fiscal year 2021 to fiscal year 2022. Charges for services decreased \$687,037 due to decreases in tuition and fees related to changes in the state foundation formula result in lesser tuition and fees coming through the foundation as compared to in past years.

Approximately 54.74 percent of the School District's budget for expenditures is used to fund instructional expenses. Support services make up 33.31 percent of expenses and 11.95 percent is used for interest and fiscal charges, extracurricular activities, and non-instructional services.

The Statement of Activities shows the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and unrestricted state entitlements.

Table 3  
 Governmental Activities

	2022 Total Cost of Services	2022 Net Cost of Services	2021 Total Cost of Services	2021 Net Cost of Services
Instruction:				
Regular	\$6,926,666	\$5,635,752	\$8,826,092	\$5,994,516
Special	2,474,980	559,332	2,996,970	1,332,710
Vocational	220,981	171,200	253,721	209,939
Intervention and Other	664,255	626,549	162,655	162,655
Support Services:				
Pupils	936,627	506,507	1,208,292	598,559
Instructional Staff	192,636	111,459	152,077	127,099
Board of Education	461,674	430,278	402,952	363,160
Administration	1,339,214	1,252,672	1,497,592	1,494,557
Fiscal	656,198	577,185	691,047	636,176
Operation and Maintenance of Plant	1,766,302	1,383,962	1,758,235	1,615,798
Pupil Transportation	753,632	678,756	736,638	632,885
Central	153,903	144,922	174,928	174,928
Operation of Non-Instructional Services	987,929	(194,906)	923,124	112,969
Extracurricular Activities	719,321	347,157	745,956	535,372
Interest and Fiscal Charges	537,077	537,077	519,962	519,962
Total Expenses	<u>\$18,791,395</u>	<u>\$12,767,902</u>	<u>\$21,050,241</u>	<u>\$14,511,285</u>

The dependence upon tax revenues and state subsidies for governmental activities is apparent as 67.95 percent of all School District activities are supported through taxes and other general revenues.

**The School District Funds**

The School District's major funds are accounted for using the modified accrual basis of accounting. The School District has two major funds: the General Fund and the Bond Retirement Fund. All governmental funds had total revenues of \$20,284,225 and expenditures of \$19,805,692. The General Fund's balance increased \$342,330. The General Fund's unassigned fund balance of \$2,312,651 represented 15.52 percent of current year expenditures. The Bond Retirement Fund's balance decreased \$35,431.

**Ironton City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year June 30, 2022*  
*(Unaudited)*

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**General Fund Budgeting Highlights**

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

During the course of fiscal year 2022, the School District amended its General Fund budget. The School District uses a modified site-based budgeting technique which is designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, final estimated revenues (not including other financing sources) were \$15,487,700, above original estimates of \$14,622,747. This difference was mainly due to conservative estimates for property tax revenues at the beginning of the fiscal year and due to shifts in funding related to the state foundation funding formula change, which was adjusted throughout the year as more information became available. Also, final estimated expenditures (not including other financing uses) were \$15,376,814, which was not amended from original estimates.

The School District's ending unobligated General Fund balance was \$3,634,223.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2022, the School District had \$33,980,886 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use assets. Table 4 shows fiscal year 2022 balances compared to 2021.

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

	2022	2021*
Land	\$471,255	\$471,255
Construction in Progress	122,000	0
Land Improvements	2,794,717	3,105,614
Buildings and Improvements	30,186,315	31,322,003
Furniture and Equipment	219,034	232,862
Vehicles	140,902	47,864
Intangible Right to Use Assets	46,663	66,662
Total	\$33,980,886	\$35,246,260

\*Restated. See note 22 of the notes to the basic financial statements for additional information.

See Note 10 for more information on Capital Assets.

**Ironton City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year June 30, 2022*  
*(Unaudited)*

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**Debt**

At June 30, 2022, the School District had the following debt outstanding:

Table 5  
Outstanding Debt at June 30  
Governmental Activities

	<u>2022</u>	<u>2021</u>
2013 Refunding Bonds, 1.00-3.25%	\$1,979,227	\$2,489,308
2015 Refunding Bonds, 1.00-4.00%	2,110,033	2,138,372
2020 Refunding Bonds, 2.11%	2,475,000	2,635,000
2021 Refunding Bonds, 1.989%	6,366,000	6,380,000
Total	<u>\$12,930,260</u>	<u>\$13,642,680</u>

See Note 13 for more information on debt.

**Economic Factors**

The School District depends on the State School Foundation Program. Revenues from the State School Foundation program accounts for \$10,895,726 or 54.07 percent of total revenues of \$20,152,734. The School District continued to monitor its current spending levels in order to stay within its revenues. The School District is in a low economic growth area, so dependence on local tax revenue must be minimized.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Patty Wade, Treasurer at Ironton City School District, 105 South Fifth Street, Ironton, Ohio 45638.

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**Ironton City School District**  
*Statement of Net Position*  
*As of June 30, 2022*

	Governmental Activities
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$6,194,492
Inventory Held for Resale	2,767
Materials and Supplies Inventory	1,644
Intergovernmental Receivable	526,198
Prepaid Items	45,113
Property Taxes Receivable	4,169,006
Restricted Cash and Cash Equivalents	22,666
Nondepreciable Capital Assets, net	593,255
Depreciable Capital Assets, net	33,387,631
Net OPEB Asset	1,145,392
<i>Total Assets</i>	46,088,164
<b>Deferred Outflows of Resources:</b>	
Deferred Charge on Refunding	1,213,794
Pension	3,551,601
OPEB	384,444
<i>Total Deferred Outflows of Resources</i>	5,149,839
<b>Liabilities:</b>	
Accounts Payable	63,565
Accrued Wages and Benefits Payable	1,390,484
Contracts Payable	122,000
Intergovernmental Payable	278,563
Accrued Interest Payable	20,054
Accrued Vacation Benefits Payable	87,037
Long-Term Liabilities:	
Due Within One Year	944,980
Due in More Than One Year	12,751,910
Net Pension Liability	9,269,665
Net OPEB Liability	1,214,523
<i>Total Liabilities</i>	26,142,781
<b>Deferred Inflows of Resources:</b>	
Property Taxes not Levied to Finance Current Year Operations	3,606,502
Pension	7,754,640
OPEB	2,210,511
<i>Total Deferred Inflows of Resources</i>	13,571,653
<b>Net Position:</b>	
Net Investment in Capital Assets	23,441,012
Restricted for Debt Service	955,090
Restricted for Capital Outlay	290,834
Restricted for Other Purposes	1,262,472
Unrestricted (Deficit)	(14,425,839)
<i>Total Net Position</i>	\$11,523,569

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

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

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
Instruction:					
Regular	\$6,926,666	\$370,842	\$920,072	\$0	(\$5,635,752)
Special	2,474,980	104,576	1,811,072	0	(559,332)
Vocational	220,981	13,136	36,645	0	(171,200)
Student Intervention Services	7,944	451	0	0	(7,493)
Other	656,311	37,255	0	0	(619,056)
Support Services:					
Pupils	936,627	44,286	385,834	0	(506,507)
Instructional Staff	192,636	6,194	74,983	0	(111,459)
Board of Education	461,674	25,996	5,400	0	(430,278)
Administration	1,339,214	81,672	4,870	0	(1,252,672)
Fiscal	656,198	34,065	44,948	0	(577,185)
Operation and Maintenance of Plant	1,766,302	89,896	59,772	232,672	(1,383,962)
Pupil Transportation	753,632	37,496	37,380	0	(678,756)
Central	153,903	8,981	0	0	(144,922)
Operation of Non-Instructional Services	987,929	36,058	1,146,777	0	194,906
Extracurricular Activities	719,321	372,160	4	0	(347,157)
Interest and Fiscal Charges	537,077	0	0	0	(537,077)
<i>Total Governmental Activities</i>	<u>\$18,791,395</u>	<u>\$1,263,064</u>	<u>\$4,527,757</u>	<u>\$232,672</u>	<u>(12,767,902)</u>
<b>General Revenues:</b>					
Property Taxes Levied for:					
General Purposes					2,770,175
Bond Retirement					980,689
Classroom Facilities Maintenance					52,402
Grants and Entitlements not					
Restricted for Specific Programs					10,250,354
Unrestricted Gifts and Donations					3,000
Investment Earnings					4,901
Miscellaneous					67,720
<i>Total General Revenues</i>					<u>14,129,241</u>
<i>Change in Net Position</i>					1,361,339
<i>Net Position Beginning of Year-Restated</i>					<u>10,162,230</u>
<i>Net Position End of Year</i>					<u>\$11,523,569</u>

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

**Ironton City School District**  
*Balance Sheet*  
*Governmental Funds*  
*As of June 30, 2022*

	General Fund	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$3,787,949	\$828,129	\$1,578,414	\$6,194,492
Inventory Held for Resale	0	0	2,767	2,767
Materials and Supplies Inventory	0	0	1,644	1,644
Interfund Receivable	62,132	0	0	62,132
Intergovernmental Receivable	129,562	0	396,636	526,198
Prepaid Items	44,366	0	747	45,113
Property Taxes Receivable	3,035,026	1,076,626	57,354	4,169,006
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	22,666	0	0	22,666
<i>Total Assets</i>	<u>\$7,081,701</u>	<u>\$1,904,755</u>	<u>\$2,037,562</u>	<u>\$11,024,018</u>
<b>Liabilities:</b>				
Accounts Payable	\$23,869	\$0	\$39,696	\$63,565
Accrued Wages and Benefits	1,160,680	0	229,804	1,390,484
Contracts Payable	0	0	122,000	122,000
Interfund Payable	0	0	62,132	62,132
Intergovernmental Payable	222,997	0	55,566	278,563
<i>Total Liabilities</i>	1,407,546	0	509,198	1,916,744
<b>Deferred Inflows of Resources:</b>				
Property Taxes not Levied to Finance Current Year Operations	2,627,174	929,611	49,717	3,606,502
Unavailable Revenue:				
Grants	0	0	45,212	45,212
Delinquent Taxes	280,345	100,944	5,245	386,534
<i>Deferred Inflows of Resources</i>	2,907,519	1,030,555	100,174	4,038,248
<b>Fund Balances:</b>				
Nonspendable	67,032	0	3,514	70,546
Restricted	0	874,200	1,441,247	2,315,447
Committed	1,924	0	0	1,924
Assigned	385,029	0	0	385,029
Unassigned (Deficit)	2,312,651	0	(16,571)	2,296,080
<i>Total Fund Balances</i>	<u>2,766,636</u>	<u>874,200</u>	<u>1,428,190</u>	<u>5,069,026</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$7,081,701</u>	<u>\$1,904,755</u>	<u>\$2,037,562</u>	<u>\$11,024,018</u>

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

**Ironton City School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 As of June 30, 2022*

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**Total Governmental Fund Balances** \$5,069,026

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. 33,980,886

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Grants	45,212	
Delinquent Taxes	386,534	
Total	431,746	431,746

Deferred outflows of resources include deferred charges on refunding which do not provide current financial resources and therefore are not reported in the 1,213,794

The net pension and OPEB liabilities (assets) are not due and payable (receivable) in the current period. Therefore, the liabilities (assets) and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows-Pension	3,551,601	
Deferred Outflows-OPEB	384,444	
Deferred Inflows-Pension	(7,754,640)	
Deferred Inflows-OPEB	(2,210,511)	
Net Pension Liability	(9,269,665)	
Net OPEB Asset	1,145,392	
Net OPEB Liability	(1,214,523)	
Total	(15,367,902)	(15,367,902)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Refunding Bonds	(12,930,260)	
Accrued Interest Payable	(20,054)	
Leases Payable	(38,012)	
Sick Leave Benefits Payables	(728,618)	
Vacation Leave Benefits Payable	(87,037)	
Total	(13,803,981)	(13,803,981)

**Net Position of Governmental Activities** \$11,523,569

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

**Ironton City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
 Governmental Funds  
 For the Fiscal Year Ended June 30, 2022

	General Fund	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property Taxes	\$2,810,380	\$995,635	\$53,185	\$3,859,200
Intergovernmental	11,482,692	155,368	3,435,337	15,073,397
Interest	4,901	0	4	4,905
Tuition and Fees	853,773	0	0	853,773
Rent	9,000	0	0	9,000
Extracurricular Activities	24,219	0	351,829	376,048
Gifts and Donations	3,000	0	1,124	4,124
Customer Sales and Services	0	0	36,058	36,058
Miscellaneous	53,743	0	13,977	67,720
<i>Total Revenues</i>	15,241,708	1,151,003	3,891,514	20,284,225
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	6,103,290	0	945,829	7,049,119
Special	1,839,471	0	683,452	2,522,923
Vocational	231,511	0	0	231,511
Student Intervention Services	7,944	0	0	7,944
Other	656,311	0	0	656,311
Support Services:				
Pupils	763,649	0	212,615	976,264
Instructional Staff	109,586	0	75,057	184,643
Board of Education	457,960	0	5,400	463,360
Administration	1,366,364	0	4,870	1,371,234
Fiscal	597,255	39,665	48,428	685,348
Operation and Maintenance of Plant	1,584,695	0	147,964	1,732,659
Pupil Transportation	649,860	0	37,380	687,240
Central	155,688	0	0	155,688
Operation of Non-Instructional Services	0	0	954,347	954,347
Extracurricular Activities	358,170	0	318,461	676,631
Capital Outlay	0	0	286,077	286,077
Debt Service:				
Principal	14,975	904,000	0	918,975
Interest	2,649	242,769	0	245,418
<i>Total Expenditures</i>	14,899,378	1,186,434	3,719,880	19,805,692
<i>Net Change in Fund Balances</i>	342,330	(35,431)	171,634	478,533
<i>Fund Balances at Beginning of Year-Restated</i>	2,424,306	909,631	1,256,556	4,590,493
<i>Fund (Deficit) Balances at End of Year</i>	<u>\$2,766,636</u>	<u>\$874,200</u>	<u>\$1,428,190</u>	<u>\$5,069,026</u>

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

**Ironton City School District**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2022*

**Net Change in Fund Balances - Total Governmental Funds** \$478,533

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. These are the amounts of capital asset additions and depreciation expense:

Capital Asset Additions	286,077	
Current Year Depreciation	(1,551,451)	
Total	(1,265,374)	(1,265,374)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Tuition and Fees	(11,815)	
Grants	(63,742)	
Delinquent Taxes	(55,934)	
Total	(131,491)	(131,491)

Contractually required contributions are reported as expenditures in governmental funds. However, the statement of net position reports these amounts as deferred outflows.

Pension	1,315,772	
OPEB	37,558	
Total	1,353,330	1,353,330

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liabilities (assets) are reported as pension/OPEB expense in the statement of activities.

Pension	331,634	
OPEB	125,585	
Total	457,219	457,219

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. These activities consist of:

Accretion on Capital Appreciation Bonds	(347,900)	
Accrued Interest Payable	354	
Amortization of Premiums	156,320	
Amortization of Deferred Charges on Refunding	(100,433)	
Total	(291,659)	(291,659)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

General Obligation Bonds Payable	194,000	
Capital Appreciation Bonds Payable	135,000	
Capital Appreciation Bonds Accretion Payable	575,000	
Leases Payable	14,975	
Total	918,975	918,975

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. These activities consist of:

Sick Leave Benefits Payable	(145,936)	
Vacation Leave Benefits Payable	(12,258)	
Total	(158,194)	(158,194)

**Net Change in Net Position of Governmental Activities** \$1,361,339

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

**Ironton City School District**  
*Statement of Revenues, Expenditures and Change  
in Fund Balance - Budget and Actual (Budgetary Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget: Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$2,663,799	\$3,171,396	\$3,171,396	\$0
Intergovernmental	10,146,462	11,391,806	11,391,806	0
Interest	8,219	4,982	4,982	0
Tuition and Fees	1,696,267	853,773	853,773	0
Rent	8,000	9,000	9,000	0
Gifts and Donations	0	3,000	3,000	0
Miscellaneous	100,000	53,743	53,743	0
<i>Total Revenues</i>	14,622,747	15,487,700	15,487,700	0
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	5,810,725	5,810,725	6,130,784	(320,059)
Special	1,944,456	1,944,456	1,847,446	97,010
Vocational	232,132	232,132	232,307	(175)
Student Intervention Services	177,301	177,301	9,264	168,037
Other	1,257,231	1,257,231	656,311	600,920
Support Services:				
Pupils	776,007	776,007	750,300	25,707
Instructional Staff	109,801	109,801	108,719	1,082
Board of Education	442,657	442,657	477,510	(34,853)
Administration	1,374,800	1,374,800	1,371,704	3,096
Fiscal	658,539	658,539	551,626	106,913
Operation and Maintenance of Plant	1,474,100	1,474,100	1,639,005	(164,905)
Pupil Transportation	638,451	638,451	661,921	(23,470)
Central	153,859	153,859	153,981	(122)
Extracurricular Activities	326,755	326,755	355,771	(29,016)
<i>Total Expenditures</i>	15,376,814	15,376,814	14,946,649	430,165
<i>Excess of Revenues Over (Under) Expenditures</i>	(754,067)	110,886	541,051	430,165
<b>Other Financing Sources (Uses):</b>				
Advances In	45,000	477,254	477,255	1
Proceeds from Sale of Capital Assets	1	0	0	0
Transfers Out	(26,772)	(26,772)	0	26,772
Advances Out	(496,344)	(496,344)	(62,133)	434,211
<i>Total Other Financing Sources (Uses)</i>	(478,115)	(45,862)	415,122	460,984
<i>Net Change in Fund Balance</i>	(1,232,182)	65,024	956,173	891,149
<i>Fund Balance at Beginning of Year-Restated (Note 4)</i>	2,528,413	2,528,413	2,528,413	0
<i>Encumbrances Appropriated</i>	149,637	149,637	149,637	0
<i>Fund Balance at End of Year</i>	\$1,445,868	\$2,743,074	\$3,634,223	\$891,149

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

**Ironton City School District**  
*Statement of Fiduciary Net Position*  
*Fiduciary Fund*  
*As of June 30, 2022*

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	<u>Private Purpose Trust Fund</u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$80,107</u>
<i>Total Assets</i>	80,107
<b>Net Position:</b>	
Restricted for Scholarships	26,749
Restricted for Endowments	<u>53,358</u>
<i>Total Net Position</i>	<u><u>\$80,107</u></u>

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



**Ironton City School District**  
*Statement of Changes in Fiduciary Net Position*  
*Fiduciary Fund*  
*For the Fiscal Year Ended June 30, 2022*

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	<u>Private Purpose Trust Fund</u>
<b>Additions:</b>	
Gifts and Contributions	\$3,500
Interest	86
	<hr/>
<i>Total Additions</i>	3,586
<b>Deductions:</b>	
Payments in Accordance with Trust Agreements	5,000
	<hr/>
<i>Total Deductions</i>	5,000
<i>Change in Net Position</i>	(1,414)
<i>Net Position at Beginning of Year</i>	81,521
	<hr/>
<i>Net Position at End of Year</i>	<u><u>\$80,107</u></u>

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

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**Ironton City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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**Note 1 - Description of the School District and Reporting Entity**

Ironton City School District (the School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally-elected five-member Board form of government and provides educational services as authorized by State statute and federal guidelines. This Board of Education controls the School District's three instructional/support facilities staffed by 68 classified employees, 103 certified teaching personnel, and 13 administrative staff who provide services to 1,331 students and other community members.

***Reporting Entity***

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization.

Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefit to, or impose specific financial burdens on, the primary government. This School District has no component units.

The following activities are included within the reporting entity:

*Parochial Schools* – Within the School District boundaries, St. Lawrence Elementary and St. Joseph High School are operated through the Steubenville Catholic Diocese. Current State legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the School District, as directed by the parochial schools. This activity is reflected in a special revenue fund for financial reporting purposes.

The School District participates in three jointly governed organizations and three insurance purchasing pools. These organizations are the Metropolitan Educational Technology Association (META), the Collins Career Center, the Educational Regional Service System (ERSS) Region 15, the Ohio School Plan, the Lawrence County Schools Council of Governments Health Benefits Program, and the Ohio SchoolComp Workers' Compensation Group Rating Program. These organizations are presented in Notes 15 and 16 to the basic financial statements.

**Note 2 – Summary of Significant Accounting Policies**

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

**Ironton City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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***Basis of Presentation***

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

*Government-wide Financial Statements* – The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for the fiduciary funds. The statements usually distinguish between those activities of the School District that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). The School District, however, has no business-type activities.

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

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

***Fund Accounting***

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are two categories of funds used by this School District: governmental and fiduciary.

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

*General Fund* – The General Fund accounts for and reports all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose, provided it is expended and transferred according to the general laws of Ohio.

*Bond Retirement Fund* – The Bond Retirement Fund is used to account for the accumulation of resources for, and the payment of, general obligation bonds, interest, and related costs.

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

**Ironton City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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*Fiduciary Fund Types* – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. The School District has a private purpose trust fund which accounts for various college scholarships for students. Custodial Funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District has no custodial funds.

***Measurement Focus***

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

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

Like the government-wide statements, all fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from private purpose trust 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 and the statements presented for fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes and grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility

**Ironton City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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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 School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, investment earnings, tuition, grants, fees, and rent.

*Deferred Outflows/Inflows of Resources* – In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, pension, and OPEB plans. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 11 and 12.

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 until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB plans, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental revenues, and tuition and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities. The deferred inflows of resources related to pension and OPEB are explained in Notes 11 and 12.

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

### ***Cash and Cash Equivalents***

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

During fiscal year 2022, investments included non-negotiable certificates of deposit, which are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2022 amounted to \$4,901. The School District also recorded \$4 in interest in other governmental funds and \$86 in its private purpose trust fund.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are presented as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

**Ironton City School District**  
*Notes to the Basic Financial Statements*  
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***Inventory***

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of expendable supplies held for consumption, and donated and purchased food held for resale.

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2022 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which the services are consumed.

***Capital Assets***

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

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land Improvements	28-50 years
Buildings and Improvements	50 years
Furniture and Equipment	5-20 years
Vehicles	3-10 years

Amortization of intangible right to use leased assets is computed using the straight-line method over the shorter of the lease term or the useful life of the underlying asset.

***Restricted Assets***

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other government or imposed by law through constitutional provisions or enabling legislation. Unclaimed monies that are required to be held for five years before they may be utilized by the School District are reported as restricted.

***Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The liability for vacation benefits is recorded as vacation benefits payable, rather than long-term liabilities, since at the employee's request, any carry-over may be paid to the employees each year, or carried over for one year.

**Ironton City School District**  
*Notes to the Basic Financial Statements*  
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Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for classified and certified employees after 18 years of current service with the School District.

***Accrued Liabilities and Long-term Obligations***

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

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

***Interfund Activity***

Transfers within governmental activities were eliminated on the government-wide statements. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments of interfund services provided and used are not eliminated.

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

***Interfund Balances***

Interfund receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column of the statement of net position.

***Fund Balance***

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

*Nonspendable* – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. It also includes prepaids for all governmental types.

*Restricted* – The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.



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

*Assigned* – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the School District’s Board of Education or a School District official delegated that authority by resolution or State Statute. State statute authorizes the School District’s Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The School District’s Board of Education assigned fund balance to cover a gap between estimated revenue and appropriations in fiscal year 2023’s appropriated budget. The Board of Education has also assigned fund balance for school support services and capital improvements.

*Unassigned* – The unassigned fund balance is the residual classification for the General Fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balances.

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

***Bond Premiums and Discounts***

On government-wide financial statement, bond discounts and premiums are deferred and amortized over the term of the bonds using the effective interest method. Bond discounts are presented as a reduction of the face amount of the bonds payable. Bond premiums are presented as an increase of the face amount of the bonds payable. Bond discounts on the capital appreciation bonds are deferred and accreted over the term of the bonds. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

On the governmental fund statements, bond premiums and bond discounts are recognized in the period in which the bonds are issued. The face amount of the debt issue is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

***Deferred Charge on Refunding***

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

**Ironton City School District**  
*Notes to the Basic Financial Statements*  
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***Net Position***

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

***Pensions/Other Postemployment Benefits (OPEB)***

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

***Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The School District did not have any extraordinary or special items to report for fiscal year 2022.

***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.

***Budgetary Process***

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The School District Treasurer has been given the authority to allocate appropriations among functions and objects within all funds.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statement reflect the amounts on the certificate of estimated resources in effect when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statement reflect the amounts in the amended certificate in effect when final appropriations for the fiscal year were passed. Prior to June 30, the Board requested and received an amended certificate in which estimated revenue equaled actual revenue.

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from

**Ironton City School District**  
*Notes to the Basic Financial Statements*  
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prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year. Prior to June 30, the Board passed an appropriation resolution which matched actual expenditures during the fiscal year plus encumbrances outstanding at fiscal year end.

**Note 3 - Deficit Fund Balances**

The following funds had deficit fund balances at June 30, 2022:

<i>Nonmajor Special Revenue Funds:</i>	
Elementary Secondary School Emergency Relief	\$11,206
Title I	2,638
Improving Teacher Quality	2,727

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

**Note 4 - Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP (modified accrual) 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 (budget basis) rather than as an assignment or commitment of fund balance (GAAP basis).
4. Prepaid items and unreported cash are reported on the balance sheet (GAAP basis), but not on the budgetary basis.
5. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
6. Certain funds are accounted for as separate funds internally with legally adopted budgets (budget basis) that do not meet the definition of special revenue funds under GASB Statement No. 54 and were reported with the General Fund (GAAP basis).

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The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

	General Fund
GAAP Basis	\$342,330
<i>Net Adjustment for:</i>	
Revenue Accruals	270,211
Expenditure Accruals	(5,231)
Encumbrances	(82,081)
Transfers	477,255
Advances	(62,133)
To reclassify excess of revenues over expenditures into financial statement fund types	15,822
Budget Basis	\$956,173

***Restatement of Budgetary Basis Fund Balance***

For fiscal year 2022, a change in fund structure had the following effect on the General Fund budgetary basis fund balance as it was previously reported:

	General
Budgetary Basis Fund Balance at June 30, 2021	\$2,602,862
Change in Fund Structure	(74,449)
Restated Budgetary Basis Fund Balance at June 30, 2021	\$2,528,413

This reclassification had no effect on fund balance or government-wide net position.

**Note 5 - Deposits and Investments**

Monies held by the School District are classified by State statute 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.

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;

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2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

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

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

### ***Deposits***

Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2022, the School District's total bank balance of \$6,384,771 was either covered by Federal Deposit Insurance Corporation (FDIC) or collateralized by the financial institution's public entity deposit pool in the manner described below.

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

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

**Ironton City School District**  
*Notes to the Basic Financial Statements*  
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**Note 6 – Property Taxes and Abatements**

***Property Taxes***

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

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

Public utility property tax revenue received in calendar year 2022 represents collections of calendar year 2021 taxes. Public utility real 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 School District receives property taxes from Lawrence County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2022 are available to finance fiscal year 2022 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which were measurable as of June 30, 2022 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reflected as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources - property taxes.

The amount available as an advance at June 30, 2022 was \$127,507 in the General Fund, \$46,071 in the Bond Retirement Fund, and \$2,392 in the School Facilities Maintenance Fund. The amount available as an advance at June 30, 2021 was \$488,523 in the General Fund, \$176,619 in the Bond Retirement Fund, and \$9,186 in the School Facilities Maintenance Fund.

On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources - unavailable revenues. The assessed values upon which the fiscal year 2022 taxes were collected are:

	2021 Second- Half Collections		2022 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$155,637,160	93%	\$156,288,180	93%
Public Utility Personal	11,316,240	7%	12,077,540	7%
<b>Total</b>	<b>\$166,953,400</b>	<b>100%</b>	<b>\$168,365,720</b>	<b>100%</b>
Tax rate per \$1,000 of assessed valuation	\$32.80		\$32.80	

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***Abatements***

Pursuant to Section 5709.82 of the Ohio Revised Code the City of Ironton established a Community Reinvestment Area (CRA). The City has offered CRA abatements to encourage economic stability, maintain property values, and generate new employment opportunities and population growth. The abatements equal an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. Each taxing authority within the boundaries of the Community Reinvestment Area, including the School District, share in the abated amount of property taxes. The amount of fiscal year 2022 taxes reduced by overlapping governments (city agreements) was \$122,644.

**Note 7 - Receivables**

Receivables at June 30, 2022 consisted of property taxes, interfund, and intergovernmental grants. 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. Except for property taxes, all receivables are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be received within one year. The delinquent property taxes amounted to \$386,534.

A summary of the principal items of intergovernmental receivables follows:

Intergovernmental Receivables	Total
State Foundation	\$78,346
E-Rate	51,216
Child Nutrition Cluster	5,290
Elementary Secondary School Emergency Relief	247,179
Special Education Part B IDEA	42,953
Title I	91,470
Title II-A, Improving Teacher Quality	9,744
Total Intergovernmental Receivable	\$526,198

**Note 8 - Risk Management**

***Property and Liability***

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2022, the School District contracted with Hylant Administrative Services for property and fleet insurance. The type and amount of coverage provided follows:

Building and Contents-replacement cost (\$1,000 deductible)	\$79,763,248
Automobile Liability (\$0 deductible):	
Bodily Injury and Property Damage – combined single limit	2,000,000
Medical Payments – each person	5,000
Uninsured Motorists	1,000,000

The School District has joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP (See Note 16).

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The types and amounts of coverage provided by the Ohio School Plan are as follows:

General Liability:	
Each Occurrence	\$2,000,000
Aggregate Limit	4,000,000
Products – Complete Operations Aggregate Limit	2,000,000
Fire Legal Liability	500,000
Medical Expense Limit – per person/accident	10,000
Employers Liability – Stop Gap:	
Per Accident	2,000,000
Per Disease Each Employee	2,000,000
Per Disease Policy Limit	2,000,000
Employee Benefits Liability:	
Per Claim	2,000,000
Aggregate Limit	4,000,000
Excess Liability:	
Each Occurrence	2,000,000
Aggregate Limit	4,000,000

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

***Workers' Compensation***

For fiscal year 2022, the School District participated in the Ohio SchoolComp Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 16). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria.

**Note 9 - Employee Benefits**

***Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Employees who earn vacation can carry over unused vacation for one year. If vacation is unused after that year, upon employee request, the employee may be paid for it at that time. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who are not on a twelve month contract do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. There is no limit to the amount of sick leave that may be accumulated. Upon retirement, payment is made for one-fourth of the total sick leave accumulation, up to a maximum payment of 80 days.

***Life Insurance and Health Care Benefits***

The School District provides life insurance and accidental death and dismemberment insurance to certified and classified employees through Guardian Insurance Inc., in the amount of \$30,000 and \$20,000, respectively.

Health insurance is provided by Anthem, Inc. Premiums for this coverage are \$2,214.34 for family coverage and \$896.49 for single coverage. The School District pays 85 percent of the premium for employees hired before August 1, 2009. For



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employees hired after August 1, 2009, the School District pays 75 percent of the premium. Dental insurance is provided by CIGNA. Premiums are \$20.53 for individual coverage and \$47.56 for family coverage. The School District pays 100 percent of the individual premium. Employees opting for family coverage must pay the difference. Vision insurance is provided by Vision Service Plan. Premiums are \$6.80 for individual coverage and \$7.82 for family coverage. The School District pays 100 percent of the individual premium. Employees opting for family coverage must pay the difference.

***Deferred Compensation***

School employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

**Note 10 - Capital Assets**

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

	Balance 6/30/21*	Additions	Deductions	Balance 6/30/22
<i>Capital Assets:</i>				
<i>Capital Assets not being depreciated:</i>				
Land	\$471,255	\$0	\$0	\$471,255
Construction in Progress	0	122,000	0	122,000
<i>Total Capital Assets not being depreciated</i>	471,255	122,000	0	593,255
<i>Depreciable Capital Assets:</i>				
Land Improvements	6,406,366	0	0	6,406,366
Buildings and Improvements	45,191,354	21,610	0	45,212,964
Furniture and Equipment	1,138,258	33,260	0	1,171,518
Vehicles	970,771	109,207	0	1,079,978
Intangible Right to Use Leased Asset	99,994	0	0	99,994
<i>Total Capital Assets being Depreciated</i>	53,806,743	164,077	0	53,970,820
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(3,300,752)	(310,897)	0	(3,611,649)
Buildings and Improvements	(13,869,351)	(1,157,298)	0	(15,026,649)
Furniture and Equipment	(905,396)	(47,088)	0	(952,484)
Vehicles	(922,907)	(16,169)	0	(939,076)
Intangible Right to Use Leased Asset	(33,332)	(19,999)	0	(53,331)
<i>Total Accumulated Depreciation</i>	(19,031,738)	(1,551,451)	0	(20,583,189)
<i>Total Capital Assets being Depreciated, Net</i>	34,775,005	(1,387,374)	0	33,387,631
<i>Capital Assets, Net</i>	\$35,246,260	(\$1,265,374)	\$0	\$33,980,886

\*Restated. See note 22 for additional information.

Of the current year depreciation total of \$1,551,451, \$19,999 is presented as operation and maintenance of plant support services expense on the statement of activities related to the School District's intangible copier assets, which are included as Intangible Right to Use Leased Assets. With the implementation of Governmental Accounting Standards Board Statement No. 87, "Leases", a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

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Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	
Regular	\$646,176
Special	243,569
Vocational	17,285
<i>Support Services:</i>	
Pupils	57,562
Instructional Staff	21,090
Administration	86,552
Operation and Maintenance of Plant	135,244
Pupil Transportation	120,453
Central	21,090
<i>Operation of Non-Instructional Services:</i>	
Food Service Operations	98,247
Extracurricular Activities	104,183
<i>Total Depreciation Expense</i>	<u>\$1,551,451</u>

**Note 11 – Defined Benefit Pension Plans**

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

***Net Pension/OPEB Liability (Asset)***

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

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

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

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

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

The remainder of this note includes the required pension disclosures. See note 12 for the required OPEB disclosures.

***School Employees Retirement System (SERS)***

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 0.5 percent COLA for calendar year 2021.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Center is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2022, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District’s contractually required contributions to SERS were \$340,256 for fiscal year 2022. Of this amount, \$64,163 was reported as an intergovernmental payable.

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***State Teachers Retirement System (STRS)***

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of-living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be 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, 2026, 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 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

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

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The School District's contractually required contributions to STRS were \$975,516 for fiscal year 2022. Of this amount, \$156,089 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense (gain):

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability			
Current Measurement Date	0.06297960%	0.054324691%	
Proportion of the Net Pension Liability			
Prior Measurement Date	<u>0.06234360%</u>	<u>0.054039650%</u>	
Change in Proportionate Share	<u>0.00063600%</u>	<u>0.000285041%</u>	
Proportionate Share of the Net			
Pension Liability	\$2,323,765	\$6,945,900	\$9,269,665
Pension Expense (Gain)	(\$235,674)	(\$95,960)	(\$331,634)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$224	\$214,594	\$214,818
Changes of assumptions	48,931	1,926,916	1,975,847
Changes in proportion and differences between School District contributions and proportionate share of contributions	24,258	20,906	45,164
School District contributions subsequent to the measurement date	<u>340,256</u>	<u>975,516</u>	<u>1,315,772</u>
Total Deferred Outflows of Resources	<u>\$413,669</u>	<u>\$3,137,932</u>	<u>\$3,551,601</u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$60,265	\$43,537	\$103,802
Net difference between projected and actual earnings on pension plan investments	1,196,807	5,986,037	7,182,844
Changes in proportion and differences between School District contributions and proportionate share of contributions	<u>106,990</u>	<u>361,004</u>	<u>467,994</u>
Total Deferred Inflows of Resources	<u>\$1,364,062</u>	<u>\$6,390,578</u>	<u>\$7,754,640</u>

\$1,315,772 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 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:

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Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2023	(\$386,411)	(\$1,142,170)	(\$1,528,581)
2024	(252,331)	(929,853)	(1,182,184)
2025	(284,559)	(974,774)	(1,259,333)
2026	<u>(367,348)</u>	<u>(1,181,365)</u>	<u>(1,548,713)</u>
Total	<u>(\$1,290,649)</u>	<u>(\$4,228,162)</u>	<u>(\$5,518,811)</u>

**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:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Inflation	2.4 percent	3.00 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 percent to 13.58 percent 2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	3.50 percent to 18.20 percent 2.5 percent
Investment Rate of Return	7.00 percent net of System expenses	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

Mortality rates for 2021 were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is

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reflected by applying the MP-2020 projection scale generationally.

Mortality rates for 2020 were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

*Discount Rate* – The total pension liability for 2021 was calculated using the discount rate of 7.00 percent. The discount rate for 2020 was 7.5 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

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	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$3,866,174	\$2,323,765	\$1,022,984

***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:

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return*
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

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



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*Discount Rate* – The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2021 and was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described 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 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2021.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$13,007,071	\$6,945,900	\$1,824,223

*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 12 – Other Postemployment Benefits**

See note 11 for a description of the net OPEB liability (asset).

***School Employees Retirement System (SERS)***

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

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premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2022, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the School District's surcharge obligation was \$37,558.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS for health care was \$37,558 for fiscal year 2022. Of this amount, \$37,558 was reported as an intergovernmental payable.

***Plan Description - State Teachers Retirement System (STRS)***

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent 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 Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense (gain):

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset)			
Current Measurement Date	0.06417280%	0.054324691%	
Proportion of the Net OPEB Liability (Asset)			
Prior Measurement Date	0.06415630%	0.054039650%	
Change in Proportionate Share	0.00001650%	0.000285041%	
Proportionate Share of the Net OPEB Liability	\$1,214,523	\$0	\$1,214,523
Proportionate Share of the Net OPEB Asset	\$0	(\$1,145,392)	(\$1,145,392)
OPEB Expense (Gain)	(\$50,370)	(\$75,215)	(\$125,585)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$12,946	\$40,784	\$53,730
Changes of assumptions	190,530	73,164	263,694
Changes in proportion and differences between School District contributions and proportionate share of contributions	24	29,438	29,462
School District contributions subsequent to the measurement date	<u>37,558</u>	<u>0</u>	<u>37,558</u>
Total Deferred Outflows of Resources	<u>\$241,058</u>	<u>\$143,386</u>	<u>\$384,444</u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$604,888	\$209,856	\$814,744
Changes of assumptions	166,319	683,309	849,628
Net difference between projected and actual earnings on OPEB plan investments	26,386	317,483	343,869
Changes in proportion and differences between School District contributions and proportionate share of contributions	<u>172,942</u>	<u>29,328</u>	<u>202,270</u>
Total Deferred Inflows of Resources	<u>\$970,535</u>	<u>\$1,239,976</u>	<u>\$2,210,511</u>

\$37,558 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or increase in the net OPEB asset in the fiscal year ending June 30, 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2023	(\$174,711)	(\$308,065)	(\$482,776)
2024	(174,895)	(300,121)	(475,016)
2025	(176,909)	(309,854)	(486,763)
2026	(148,754)	(134,101)	(282,855)
2027	(74,408)	(45,519)	(119,927)
Thereafter	<u>(17,358)</u>	<u>1,070</u>	<u>(16,288)</u>
Total	<u>(\$767,035)</u>	<u>(\$1,096,590)</u>	<u>(\$1,863,625)</u>

***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

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

For 2021, mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

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

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The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2015 through 2020 and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100.00 %</u>	

*Discount Rate* – The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2021, was 2.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2020 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 1.92 percent at June 30, 2021 and 2.45 percent at June 30, 2020.

*Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates* – The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the 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.

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	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
School District's proportionate share of the net OPEB liability	\$1,504,941	\$1,214,523	\$982,516

	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$935,083	\$1,214,523	\$1,587,769

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

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

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

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

The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in 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

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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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return*</u>
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
<b>Total</b>	<b>100.00 %</b>	

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

*Discount Rate* – The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2021, and was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB liability as of June 30, 2021.

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School District's proportionate share of the net OPEB asset	(\$966,533)	(\$1,145,392)	(\$1,294,801)
		<u>Current Trend Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB asset	(\$1,288,747)	(\$1,145,392)	(\$968,120)

*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 is unknown.

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**Note 13 - Long-Term Obligations**

The changes in the School District's long-term obligations during the fiscal year consist of the following:

	Principal Outstanding 6/30/21*	Additions	Reductions	Principal Outstanding 6/30/22	Due in One Year
<b>Governmental Activities</b>					
2013 Refunding Bonds, 1.00-3.25%					
Capital Appreciation Bonds, 19.759-20.298%	\$420,000	\$0	\$135,000	\$285,000	\$110,000
Premium on Bonds	505,604	0	147,981	357,623	0
Accretion on Capital Appreciation Bonds	1,563,704	347,900	575,000	1,336,604	600,000
2015 Refunding Bonds, 1.00-4.00%					
Serial Bonds	1,355,000	0	0	1,355,000	0
Term Bonds	725,000	0	20,000	705,000	20,000
Premium on Serial Bonds	47,293	0	6,756	40,537	0
Premium on Term Bonds	11,079	0	1,583	9,496	0
2020 Refunding Bonds, 2.11%					
Term Bonds	2,635,000	0	160,000	2,475,000	168,000
2021 Refunding Bonds, 1.989%					
Term Bonds	6,380,000	0	14,000	6,366,000	13,000
Total General Obligation Bonds	13,642,680	347,900	1,060,320	12,930,260	911,000
Leases Payable	52,987	0	14,975	38,012	15,723
Net Pension Liability					
STRS	13,075,672	0	6,129,772	6,945,900	0
SERS	4,123,537	0	1,799,772	2,323,765	0
Total Net Pension Liability	17,199,209	0	7,929,544	9,269,665	0
Net OPEB Liability					
SERS	1,394,326	0	179,803	1,214,523	0
Sick Leave Benefits	582,682	145,936	0	728,618	18,257
Total Governmental Activities Long-Term Liabilities	\$32,871,884	\$493,836	\$9,184,642	\$24,181,078	\$944,980

\*Restated. See note 22 for additional information.

On March 21, 2013, the School District issued \$8,240,000 in School Improvement Refunding Bonds to partially refund serial and term bonds, for the Series 2006 School Facilities Construction and Improvement General Obligation Bonds. At the date of refunding, \$9,696,706 was deposited in an irrevocable trust to provide for all future debt service payments on the partially refunded Series 2006 School Facilities Construction and Improvement General Obligation Bonds. The refunding bonds consisted of serial bonds in the amount of \$7,570,000, term bonds in the amount of \$250,000, and capital appreciation bonds in the amount of \$420,000. The bonds were issued with a premium in the amount of \$1,714,116 on the capital appreciation bonds, a discount on the term and serial bonds in the amount of \$98,602. This bond was retired from the bond retirement debt service fund through property taxes. The remaining serial and term bonds in the amount of \$6,130,000 and \$250,000, respectively, were refunded on March 30, 2021.

The partial advance refunding resulted in a difference between the net carrying amount of the old debt and an acquisition price, in the amount of \$1,650,060. This difference is being reported in the accompanying financial statements as deferred outflows or resources – deferred charge on refunding and is being amortized to interest expense over the life of



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the bonds using the straight-line method. The amount amortized during fiscal year 2022 was \$74,160. Since the refunding of 2013, the bonds have been called and the irrevocable trust account has been closed.

Principal and interest requirements to retire the School Facilities Construction and Improvement General Refunding Bonds Series 2013 outstanding at June 30, 2022 are as follows (the interest column includes the capital appreciation bonds accretion in fiscal years 2022 through 2025):

Fiscal Year Ending June 30,	Principal	Interest
2023	\$110,000	\$600,000
2024	95,000	615,000
2025	80,000	630,000
Total	\$285,000	\$1,845,000

On July 7, 2015, the School District issued \$3,955,00 in School Facilities Construction and Improvement Refunding Bonds to partially refund serial and term bonds in the amount of \$1,930,000 and \$2,025,000; respectively, for the Series 2006 School Facilities Construction and Improvement General Obligation Bonds. At the date of refunding, \$4,183,070 was deposited in an irrevocable trust to provide for all future debt service payments on the partially refunded Series 2006 School Facilities Construction and Improvement General Obligation Bonds. The refunding bonds consisted of serial bonds in the amount of \$2,970,000, term bonds in the amount of \$725,000, and capital appreciation bonds in the amount of \$260,000. The bonds were issued with a premium in the amount of \$321,249. This bond will be retired from the bond retirement debt service fund through property taxes.

The partial advance refunding resulted in a difference between the net carrying amount of the old debt and an acquisition price, in the amount of \$164,215. This difference is being reported in the accompanying financial statements as deferred outflows or resources – deferred charge on refunding and is being amortized to interest expense over the life of the bonds using the straight-line method. The amount amortized during fiscal year 2022 was \$12,632. Since the 2015 refunding, the bonds have been called and the irrevocable trust account has been closed.

The term bonds due December 1, 2025 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Fiscal Year	Amount
2023	\$20,000
2024	20,000
2025	20,000
Total mandatory sinking fund payments	60,000
Amount due at stated maturity	645,000
Total	\$705,000
Stated Maturity	12/1/2025

Principal and interest requirements to retire the School Facilities Construction and Improvement General Refunding Bonds Series 2015 outstanding at June 30, 2022 are as follows:

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Fiscal Year Ending June 30,	Principal	Interest
2023	\$20,000	\$61,500
2024	20,000	60,900
2025	20,000	60,300
2026	645,000	50,325
2027	665,000	30,675
2028	690,000	10,350
Total	\$2,060,000	\$274,050

On March 4, 2020, the School District issued refunding bonds of \$2,795,000 consisting of term bonds. The refunding bonds will mature on December 1, 2027. These bonds were issued to current refund a portion of the 2010 School Building Construction Bonds, consisting of \$130,000 in serial bonds and \$2,665,000 in term bonds. The refunded portion of the bonds, as well as the unamortized premium of \$37,978 and discount of \$17,900 of these current refunded bonds, were removed from the financial statements of the School District. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of \$32,396. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being amortized to interest expense over the life of the refunded bonds using the straight-line method. The amortization of this difference for 2022 was \$2,160. The issuance resulted in a difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt of \$498,794. At the date of the refunding, \$2,847,474 (including underwriter fees and other issuance costs) was deposited in an irrevocable trust to provide for all future debt service payments on the refunded 2010 bonds. The refunded bonds were called and paid on June 1, 2020.

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

Fiscal Year	Amount
2023	\$168,000
2024	171,000
2025	174,000
2026	177,000
2027	179,000
2028-2032	974,000
2033-2034	415,000
Total mandatory sinking fund payments	2,258,000
Amount due at stated maturity	217,000
Total	\$2,475,000
Stated Maturity	12/1/2034

Principal and interest requirements to retire the School Improvement General Refunding Bonds Series 2020 outstanding at June 30, 2022 are as follows:

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Fiscal Year Ending June 30,	Principal	Interest
2023	\$168,000	50,451
2024	171,000	46,874
2025	174,000	43,234
2026	177,000	39,531
2027	179,000	35,775
2028-2032	974,000	118,941
2033-2035	632,000	20,233
Total	\$2,475,000	\$355,039

On March 30, 2021, the School District issued refunding bonds of \$6,380,000 consisting of term bonds. The refunding bonds will mature on December 1, 2027. These bonds were issued to current refund a portion of the 2013 School Improvement Refunding Bonds, consisting of \$6,130,000 in serial bonds and \$250,000 in term bonds. The refunded portion of the bonds, as well as the unamortized discount of \$61,288 of these current refunded bonds, were removed from the financial statements of the School District. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price of \$160,738. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being amortized to interest expense over the life of the refunded bonds using the straight-line method. The amortization of this difference for 2022 was \$11,481. The issuance resulted in a difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt of \$581,166. During fiscal year 2021, the School District paid \$185,000 toward the principal of the 2013 School Improvement Refunding Bonds and amortized \$4,568 of the premium prior to the advance refunding on March 25, 2021. At the date of the refunding, \$6,479,450 (including underwriter fees and other issuance costs) was deposited in an irrevocable trust to provide for all future debt service payments on the refunded 2013 bonds. The refunded bonds were called and paid on June 1, 2021.

The table presented below represents the fiscal year 2021 refunding transaction.

2013 School Improvement Refunding Bonds	\$6,380,000
Discount on 2013 School Improvement Refunding Bonds	(61,288)
Total Series 2013 School Improvement Refunding Bonds	6,318,712
Payment to Refunded Bond Escrow Agent - Other Financing Use	(6,479,450)
Fiscal Year 2021 Refunding Bonds Accounting Difference	(\$160,738)

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

Fiscal Year	Amount
2023	\$13,000
2024	14,000
2025	14,000
2026	94,000
2027	99,000
2028-2032	3,444,000
2033-2034	1,774,000
Total mandatory sinking fund payments	5,452,000
Amount due at stated maturity	914,000
Total	\$6,366,000
Stated Maturity	12/1/2034

**Ironton City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2022

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Principal and interest requirements to retire the School Improvement General Refunding Bonds Series 2021 outstanding at June 30, 2022 are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2023	\$13,000	\$126,490
2024	14,000	126,222
2025	14,000	125,943
2026	94,000	124,869
2027	99,000	122,950
2028-2032	3,444,000	469,443
2033-2035	2,688,000	80,914
Total	\$6,366,000	\$1,176,831

*Leases Payable* - In previous fiscal years, the School District entered into a agreements for the use of copier equipment. Due to the implementation of GASB 87, this lease has met the criteria of a lease thus requiring it to be recorded by the District. Lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. Principal payments are being made from the general fund.

A summary of the principal and interest amounts for the remaining lease is as follows:

Year	Principal	Interest
2023	\$15,723	\$1,901
2024	16,510	1,114
2025	5,779	96
Total	\$38,012	\$3,111

The School District’s voted legal debt margin was \$4,841,115, with an unvoted debt margin of \$168,366 at June 30, 2022.

Sick leave benefits are paid from the fund from which the employees’ salaries are paid, which includes the General Fund and Food Service Special Revenue Funds. There are no repayment schedules for the net pension and net OPEB liabilities. However, employer pension/OPEB contributions are made from the following funds: General Fund, and the Food Service, Auxiliary, Elementary Secondary School Emergency Relief, Title I, IDEA-B, and Title II-A Special Revenue Funds. See Notes 11 and 12 for additional information related to net pension and net OPEB liabilities.

**Note 14 - Interfund Transactions**

As of June 30, 2022, receivables and payables that resulted from various interfund transactions were as follows:

	Receivable	Payable
General Fund	\$62,132	\$0
<i>Other Governmental Funds:</i>		
Elementary Secondary School Emergency Relief	0	41,600
Special Education IDEA Part B	0	12,953
Title I	0	7,579
Total Other Governmental Funds	0	62,132
Total All Funds	\$62,132	\$62,132

**Ironton City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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The interfund balances result from the provision of cash flow resources from the General Fund until the receipt of grant monies by the grant funds.

**Note 15 – Jointly Governed Organizations**

***Metropolitan Educational Technology Association***

The Metropolitan Educational Technology Association (META) formed from the merger of the Metropolitan Educational Council (MEC) and the South Central Ohio Computer Association Regional Council of Governments (SCOCARCoG) during fiscal year 2016, which is a jointly governed organization, created as a regional council of governments pursuant to Chapter 167 of the Ohio Revised Code. META operates as, and has all the powers of, a data acquisition site/information technology center pursuant to applicable provisions of the Ohio Revised Code. The organization was formed for the purpose of identifying, developing, and providing to members and nonmembers innovative educational and technological services and products, as well as expanded opportunities for cooperative purchasing. The General Assembly of META consists of one delegate from every member school district. The delegate is the superintendent of the school district or the superintendent's designee. The degree of control exercised by any participating school district is limited to its representation on the General Assembly. The General Assembly exercises total control over the operation of META including budgeting, appropriating, contracting, and designating management. During 2022, the School District paid \$76,233 for services with META. Financial information can be obtained from Metropolitan Educational Technology Association at 100 Executive Drive, Marion, Ohio 43302.

***Collins Career Center***

The Collins Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from Chesapeake Union Exempted Village School District, two from the Ironton City School District, and two from the Lawrence County Educational Service Center, which possesses its own budgeting and taxing authority. Ironton City School District made no payments to the Collins Career Center in fiscal year 2022. To obtain financial information write to the Collins Career Center, 11627 State Route 243, Chesapeake, OH 45619.

***Educational Regional Service System (ERSS) Region 15***

The Educational Regional Service System (ERSS) Region 15 is a jointly governed organization consisting of educational entities within Lawrence, Pike, Scioto, and Ross counties. The purpose of the ERSS is to provide support services to school districts, community schools, and chartered nonpublic schools within the region by supporting State and school initiatives and efforts to improve school effectiveness and student achievement with a specific reference to the provision of special education and related services. The ERSS is governed by an advisory council, which is the policymaking body for the educational entities within the region, who identifies regional needs and priorities for educational services and develops corresponding policies to coordinate the delivery of services. They are also charged with the responsibility of monitoring the implementation of State and regional initiatives and school improvement efforts. The Advisory Council is made up of the director of the ERSS, the superintendent of each educational service center within the region, the superintendent of the region's largest and smallest school district, the director and an employee from each education technology center, one representative of a four-year institution of higher education and appointed by the Ohio Board of Regents, one representative of a two-year institution of higher education and appointed by the Ohio Association of Community Colleges, three board of education members (one each from a city, exempted village, and local school district within the region), and one business representative. The degree of control exercised by any participating educational entity is limited to its representation on the Advisory Council. Financial information can be obtained from the South Central Educational Service Center, 522 Glenwood Avenue, New Boston, Ohio 45662.

**Note 16 - Insurance Purchasing Pools**

***Ohio School Plan***

The School District participates in the Ohio School Plan (Plan), a joint self-insurance pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a thirteen member board consisting of superintendents, treasurers, and school board members. Hylant Administrative Services, LLC (Hylant) is the Plan's administrator and is responsible for underwriting, claim management, risk management, accounting, system support services, sales, and marketing for the Plan. Financial information can be obtained from Hylant 811 Madison Avenue, Toledo, Ohio 43604.

**Lawrence County Schools Council of Governments Health Benefits Program**

The School District participates in the Lawrence County Schools Council of Governments Health Benefits Program (Council), a shared risk pool created pursuant to State statute for the purpose of administering health care benefits. The Council is governed by a council, which consists of the superintendent from each participating school district. The council elects officers for one-year terms to serve on the Board of Directors. The council exercises control over the operation of the council. All council revenues are generated from charges for services received from the participating school districts, based on the established premiums for the insurance plans. The Lawrence County Educational Service Center is the fiscal agent of the council. Each school district reserves the right to withdraw from the plan. If this is done, no further contributions will be made and the school district will be distributed their net pooled share and all claims submitted by covered members of the school district after the distribution will be exclusively the liability of the school district.

**Ohio SchoolComp Workers' Compensation Group Rating Program**

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

**Note 17 – Donor Restricted Endowments**

The School District's private purpose trust funds include donor restricted endowments. Total endowments, representing the principal portion, are \$53,358. The amount of net appreciation in donor restricted investments that is available for expenditure by the School District is \$26,749 and is included as held in trust for scholarships. State law permits the School District to appropriate, for purposes consistent with the endowments' intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise. The endowments indicate interest should be used to provide scholarships each year.

**Note 18 – 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 fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years

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

**Ironton City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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	Capital Improvements
Set-Aside Balance as of June 30, 2021	\$0
Current Year Set-Aside Requirement	240,368
Offsets	(1,388,418)
Total	(\$1,148,050)

The School District had qualifying offsets during the fiscal year that reduce the set-aside amount below zero. The excess set-aside may not be carried forward to reduce the set-aside requirements in future fiscal years.

**Note 19 - Encumbrances**

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

	Amount
General	\$82,081
Other Governmental Funds	672,201
Total	\$754,282

**Note 20 - Contingencies**

***Grants***

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2022, if applicable, cannot be determined at this time.

***Litigation***

As of June 30, 2022, the School District is party to legal proceedings. However, it is the opinion of management that these legal proceedings will not significantly adversely affect the School District's financial position.

***School Foundation***

In fiscal year 2022, School District foundation funding was based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2022 are finalized. As a result, an additional receivable in the amount of \$78,346 has been recorded for the School District.

**Note 21 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency 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.

**Ironton City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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During fiscal year 2022, the School District reported ESSER funding in the amounts of \$1,186,171. Of the amounts received, none was sub-granted to other governments and organizations, returned to the granting agency, or spent on-behalf of other governments. The School District did not receive significant donated personal protective equipment as an on-behalf of grant from another government.

**Note 22 – New Accounting Pronouncements and Restatement of Balances**

**New Accounting Pronouncements**

For fiscal year 2022, the School District implemented GASB Statement No. 87, “Leases”. GASB Statement 87 requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized 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. These changes were incorporated in the School District’s fiscal year 2022 financial statements.

During fiscal year 2022, the School District determined that various grants previously reported as entitlement grants should now be reported as reimbursement-basis grants.

As a result of the above implementation and the determination of change in accounting for grants, the School District restated beginning balances as follows.

**Restatement of Fund Balances and Net Position**

Implementation of GASB 87 and the change in accounting for grants had the following effect on previously reported net position and fund balances as of June 30, 2021:

	Governmental Activities	Other Governmental Funds
Net Position/Fund Balance, As Reported, June 30, 2021	\$10,627,991	\$1,259,216
<i>Adjustments:</i>		
GASB 87 Assets	66,662	0
GASB 87 Leases Payable	(52,987)	0
Grants	(479,436)	(2,660)
Net Position/Fund Balance, As Restated, July 1, 2021	\$10,162,230	\$1,256,556

**Note 23 – Fund Balances**

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



**Ironton City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2022

	General Fund	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>				
Prepaid Items	\$44,366	\$0	\$747	\$45,113
Unclaimed Monies	22,666	0	0	22,666
Inventory	0	0	2,767	2,767
Total Nonspendable	67,032	0	3,514	70,546
<i>Restricted for</i>				
Debt Service	0	874,200	0	874,200
Capital Projects	0	0	290,834	290,834
Food Service Operations	0	0	223,873	223,873
Local Grants Program	0	0	27,282	27,282
Facilities Maintenance	0	0	144,740	144,740
Student Activities	0	0	65,403	65,403
Athletics	0	0	77,679	77,679
Auxiliary Programs	0	0	21,474	21,474
State Grant Programs	0	0	526,295	526,295
Federal Grant Programs	0	0	63,667	63,667
Total Restricted	0	874,200	1,441,247	2,315,447
<i>Committed for</i>				
Health Insurance Contingency	1,924	0	0	1,924
<i>Assigned to</i>				
Student and Staff Support	17,938	0	0	17,938
Subsequent Year Appropriations	308,879	0	0	308,879
Purchases on Order	58,212	0	0	58,212
Total Assigned	385,029	0	0	385,029
<i>Unassigned (Deficit)</i>	2,312,651	0	(16,571)	2,296,080
<b>Total Fund Balances</b>	<b>\$2,766,636</b>	<b>\$874,200</b>	<b>\$1,428,190</b>	<b>\$5,069,026</b>

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**Ironton City School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*Last Nine Fiscal Years*

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<i>State Teachers Retirement System</i>									
School District's proportion of the net pension liability	0.055044090%	0.055044090%	0.055212840%	0.055972010%	0.057889260%	0.056476500%	0.055983360%	0.054039650%	0.054324691%
School District's proportionate share of the net pension liability	\$15,948,446	\$13,388,628	\$15,259,214	\$18,735,519	\$13,751,718	\$12,417,914	\$12,380,384	\$13,075,672	\$6,945,900
School District's covered-employee payroll	\$5,745,669	\$5,680,438	\$5,778,307	\$5,908,486	\$6,216,793	\$6,421,857	\$6,539,221	\$6,599,607	\$6,739,300
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	277.6%	235.7%	264.1%	317.1%	221.2%	193.4%	189.3%	198.1%	103.1%
Plan fiduciary net position as a percentage of the total pension liability	69.3%	74.7%	72.1%	66.8%	75.3%	77.3%	77.4%	75.5%	87.8%
<i>School Employees Retirement System</i>									
School District's proportion of the net pension liability	0.069260000%	0.069260000%	0.068001000%	0.066270500%	0.070547800%	0.071489300%	0.070348000%	0.062343600%	0.062979600%
School District's proportionate share of the net pension liability	\$4,118,670	\$3,505,209	\$3,880,203	\$4,850,389	\$4,215,075	\$4,094,325	\$4,209,044	\$4,123,537	\$2,323,765
School District's covered-employee payroll	\$1,750,108	\$1,978,557	\$2,117,155	\$2,054,914	\$2,303,836	\$2,354,378	\$2,310,430	\$2,212,193	\$2,178,057
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	235.3%	177.2%	183.3%	236.0%	183.0%	173.9%	182.2%	186.4%	106.7%
Plan fiduciary net position as a percentage of the total pension liability	65.5%	71.7%	69.2%	63.0%	69.5%	71.4%	70.9%	68.6%	82.9%

The amounts presented are as of the School District's measurement date, which is the prior fiscal year end.

Information not available prior to 2014.

See accompanying notes to the required supplementary information.

**Ironton City School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)*  
*Last Six Fiscal Years*

	2017	2018	2019	2020	2021	2022
<i>State Teachers Retirement System</i>						
School District's proportion of the net OPEB liability (asset)	0.055972010%	0.057889260%	0.056476500%	0.055983360%	0.054039650%	0.054324691%
School District's proportionate share of the net OPEB liability (asset)	\$2,993,398	\$2,258,625	(\$907,520)	(\$927,219)	(\$949,746)	(\$1,145,392)
School District's covered-employee payroll	\$5,908,486	\$6,216,793	\$6,421,857	\$6,539,221	\$6,599,607	\$6,739,300
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	50.7%	36.3%	-14.1%	-14.2%	-14.4%	-17.0%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	37.3%	47.1%	176.0%	174.7%	182.1%	174.7%
<i>School Employees Retirement System</i>						
School District's proportion of the net OPEB liability	0.066360600%	0.070790800%	0.071650900%	0.071128700%	0.064156300%	0.064172800%
School District's proportionate share of the net OPEB liability	\$1,891,523	\$1,899,839	\$1,987,790	\$1,788,737	\$1,394,326	\$1,214,523
School District's covered-employee payroll	\$2,054,914	\$2,303,836	\$2,354,378	\$2,310,430	\$2,212,193	\$2,178,057
School District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	92.0%	82.5%	84.4%	77.4%	63.0%	55.8%
Plan fiduciary net position as a percentage of the total OPEB liability	11.5%	12.5%	13.6%	15.6%	18.2%	24.1%

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

**Ironton City School District**  
*Required Supplementary Information*  
*Schedule of School District Contributions*  
*Last Ten Fiscal Years*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<i>State Teachers Retirement System</i>										
Contractually required contribution - pension	\$746,937	\$738,457	\$808,963	\$827,188	\$870,351	\$899,060	\$915,491	\$923,945	\$943,502	\$975,516
Contractually required contribution - OPEB	57,457	56,804	0	0	0	0	0	0	0	0
Contractually required contribution - total	804,394	795,261	808,963	827,188	870,351	899,060	915,491	923,945	943,502	975,516
Contributions in relation to the contractually required contribution	804,394	795,261	808,963	827,188	870,351	899,060	915,491	923,945	943,502	975,516
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District's covered-employee payroll	\$5,745,669	\$5,680,438	\$5,778,307	\$5,908,486	\$6,216,793	\$6,421,857	\$6,539,221	\$6,599,607	\$6,739,300	\$6,967,971
Contributions as a percentage of covered-employee payroll - pension	13.00%	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered-employee payroll - OPEB	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered-employee payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
<i>School Employees Retirement System</i>										
Contractually required contribution - pension	\$242,215	\$274,228	\$279,041	\$287,688	\$322,537	\$317,841	\$311,908	\$309,707	\$304,928	\$340,256
Contractually required contribution - OPEB (1)	2,800	2,770	17,361	0	0	11,772	11,552	0	0	0
Contractually required contribution - total	245,015	276,998	296,402	287,688	322,537	329,613	323,460	309,707	304,928	340,256
Contributions in relation to the contractually required contribution	245,015	276,998	296,402	287,688	322,537	329,613	323,460	309,707	304,928	340,256
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District's covered-employee payroll	\$1,750,108	\$1,978,557	\$2,117,155	\$2,054,914	\$2,303,836	\$2,354,378	\$2,310,430	\$2,212,193	\$2,178,057	\$2,430,400
Contributions as a percentage of covered-employee payroll - pension	13.84%	13.86%	13.18%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	14.00%
Contributions as a percentage of covered-employee payroll - OPEB	0.16%	0.14%	0.82%	0.00%	0.00%	0.50%	0.50%	0.00%	0.00%	0.00%
Contributions as a percentage of covered-employee payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

(1) Excludes surcharge.

See accompanying notes to the required supplementary information.

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**Ironton City School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2022*

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**State Teachers Retirement System**

**Pension**

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2015 through 2017. For fiscal year 2018, the cost of living adjustment (COLA) was reduced to 0 percent effective July 1, 2017. There were no changes to benefit terms for fiscal years 2019 through 2022.

Changes in assumptions

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

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

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

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

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

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

**OPEB**

Changes in benefit terms

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

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

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

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

- The subsidy multiplier for non-Medicare benefit recipients increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium increased

**Ironton City School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2022*

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effective January 1, 2019 and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020, though the STRS Board voted in June 2019 to extent the current Medicare Part B partial reimbursement for one year.

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

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

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

Changes in assumptions

There were no changes in assumptions for fiscal year 2017.

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

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

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

- The discount rate increased from a 4.13 percent blended discount rate to 7.45 percent.
- The health care trend assumption rate changed from 6 to 11 percent initial, 4.5 percent ultimate to:
  - Medical Medicare – 5 percent initial, 4 percent ultimate
  - Medical Pre-Medicare – 6 percent initial, 4 percent ultimate
  - Prescription Drug Medicare – -5.23 percent initial, 4 percent ultimate
  - Prescription Drug Pre-Medicare – 8 percent initial, 4 percent ultimate



**Ironton City School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2022*

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

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

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

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

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

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

### **School Employees Retirement System**

#### **Pension**

##### **Changes in benefit terms**

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

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

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

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

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

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

##### **Changes in assumptions**

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

**Ironton City School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2022*

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

- Assumed rate of inflation was reduced from 3.25 percent to 3.0 percent
- Payroll Growth Assumption was reduced from 4.0 percent to 3.5 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.5 percent
- Investment rate of return was reduced from 7.75 percent to 7.5 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
  - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. The above rates represent the base rates used.
- Mortality among service retired members, and beneficiaries was updated to the following:
  - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates.
- Mortality among disable member was updated to the following:
  - RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

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

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

## **OPEB**

### Changes in benefit terms

There were no changes to benefit terms for fiscal years 2017 through 2022.

### Changes in assumptions

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

- Assumed rate of inflation was reduced from 3.25 percent to 3.0 percent
- Payroll growth assumption was reduced from 4.0 percent to 3.5 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.5 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:

**Ironton City School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2022*

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- RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females.
- Mortality among service retired members, and beneficiaries was updated to the following:
  - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates.
- Mortality among disabled members was updated to the following:
  - RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

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

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

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

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

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

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

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

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

- The inflation rate decreased from 3.0 percent to 2.4 percent.

**Ironton City School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2022*

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

IRONTON CITY SCHOOL DISTRICT  
LAWRENCE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Grant Year	Provided Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed Through Ohio Department of Education</i>				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	10.555	2021-2022	\$ 0	\$ 50,169
Cash Assistance:				
School Breakfast Program	10.553	2021-2022	0	141,736
National School Lunch Program	10.555	2021-2022	0	515,028
National School Lunch Program - COVID 19		2021-2022	0	38,831
Total Child Nutrition Cluster			0	745,764
Pandemic EBT Administrative Costs - COVID-19	10.649	2021-2022	0	2,399
Total U.S. Department of Agriculture			0	748,163
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<i>Passed Through Ohio Department of Education</i>				
Title I Grants to Local Educational Agencies	84.010A	2021 2022	0 0	102,196 496,470
Total Title I Grants to Local Educational Agencies			0	598,666
Special Education Cluster:				
Special Education Grants to States	84.027A	2021 2022	0 0	38,658 224,467
Total Special Education Grants to States			0	263,125
Special Education Preschool Grants	84.173A	2021 2022	0 0	122 4,727
Total Special Education Preschool Grants			0	4,849
Total Special Education Cluster			0	267,974
Rural Education	84.358B	2021	0	20,264
Supporting Effective Instruction State Grants	84.367A	2021 2022	0 0	10,853 54,812
Total Supporting Effective Instruction State Grants			0	65,665
Student Support and Academic Enrichment Program	84.424A	2021 2022	0 0	3,682 2,200
Total Student Support and Academic Enrichment Program			0	5,882
COVID-19 Education Stabilization Fund	84.425D	2021 2022	0 0	58,146 939,045
Total COVID-19 Education Stabilization Fund			0	997,191
Total U.S. Department of Education			0	1,955,642
<b>FEDERAL COMMUNICATIONS COMMISSION (FCC)</b>				
<i>Direct from the Universal Service Administration Company (USAC)</i>				
COVID-19 Emergency Connectivity Fund Program	32.009	2022	0	126,500
Total Federal Communications Commission (FCC)			0	126,500
<b>U.S. DEPARTMENT OF THE TREASURY</b>				
<i>Passed Through Ohio Department of Education</i>				
COVID-19 Coronavirus Relief Fund	21.019	2022	0	874
Total U.S. Department of the Treasury			0	874
<b>Total Expenditures of Federal Awards</b>			<b>\$ 0</b>	<b>\$ 2,831,179</b>

The accompanying notes are an integral part of this schedule.

**IRONTON CITY SCHOOL DISTRICT  
LAWRENCE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
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 the Ironton City School District (the School District's) under programs of the federal government for the year ended June 30, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE E – FOOD DONATION PROGRAM**

The School District reports commodities consumed on the Schedule at the entitlement value. The School District allocated donated food commodities to the respective programs that benefitted 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**

Ironton City School District  
Lawrence County  
105 South Fifth Street  
Ironton, Ohio 45638

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ironton City School District, Lawrence County, Ohio (the School District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated March 20, 2023 wherein we noted the School District adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* and modified its approach related to eligibility requirements of certain School District grants. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the School District.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the School 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School 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 School District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio  
March 20, 2023





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

Ironton City School District  
Lawrence County  
105 South Fifth Street  
Ironton, Ohio 45638

To the Board of Education:

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

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

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

***Basis for Opinion on the Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School 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 School 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 School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

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

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio  
March 20, 2023

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**IRONTON CITY SCHOOL DISTRICT  
LAWRENCE COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2022**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	COVID-19 Education Stabilization Fund – Federal AL # 84.425
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.



# OHIO AUDITOR OF STATE KEITH FABER



**IRONTON CITY SCHOOL DISTRICT**

**LAWRENCE COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 3/28/2023**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)