PERRY
& Associates CPAs
PASSION Beyond the Numbers

MARIETTA CITY SCHOOL DISTRICT
WASHINGTON COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2022

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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Board of Education
Marietta City School District
111 Academy Drive
Marietta, Ohio 45750

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

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

Keith Faber
Auditor of State
Columbus, Ohio

April 05, 2023

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MARIETTA CITY SCHOOL DISTRICT
WASHINGTON COUNTY, OHIO

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet – Governmental Funds	14
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Budget Basis) – General Fund	18
Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Budgetary) – ESSER Fund	19
Statement of Fund Net Position Self-Insurance Internal Service Fund	20
Statement of Revenues, Expenses and Changes in Fund Net Position Self-Insurance Internal Service Fund	21
Statement of Cash Flows Self-Insurance Internal Service Fund	22
Notes to the Basic Financial Statements	23
Required Supplementary Information:	
Schedule of the School District's Proportionate Share of the Net Pension Liability School Employees Retirement System (SERS) of Ohio	64
Schedule of the School District's Proportionate Share of the Net Pension Liability State Teachers Retirement System (STRS) of Ohio	66
Schedule of the School District's Proportionate Share of the Net OPEB Liability School Employees Retirement System (SERS) of Ohio	68

TABLE OF CONTENTS (Continued)

TITLE	PAGE
Schedule of the School District's Proportionate Share Of the Net OPEB Liability (Asset) State Teachers Retirement System (STRS) of Ohio	69
Schedule of the School District's Contributions School Employees Retirement System (SERS) of Ohio	70
Schedule of the School District's Contributions State Teachers Retirement System (STRS) of Ohio	72
Notes to the Required Supplementary Information	74
Schedule of Expenditures of Federal Awards	78
Notes to the Schedule of Expenditures of Federal Awards	79
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*	80
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	82
Schedule of Audit Findings	85

INDEPENDENT AUDITOR'S REPORT

Marietta City School District
Washington County
111 Academy Drive
Marietta, Ohio 45750

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 **Marietta City School District**, Washington County, Ohio (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 Marietta City School District, Washington County, Ohio as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and ESSER funds 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.

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 sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 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 February 28, 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.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

February 28, 2023

The discussion and analysis of the Marietta City School District's 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**:**

- Total net position of the School District increased $9,371,087. Restricted net position increased $507,587. Unrestricted net position increased $5,932,514.

- General revenues accounted for $26,038,477 in revenue or 72% of all revenues. Program specific revenues in the form of charges for services and sales, operating and capital grants, contributions, and interest accounted for $9,919,604 or 28% of total revenues of $35,958,081.

- The School District had $26,586,994 in expenses related to governmental activities; only $9,919,604 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues of $26,038,477 were adequate to provide for these programs.

Using this Annual Financial Report

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 Marietta City School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities 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 and liabilities 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 net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many 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 programs and services are reported as Governmental Activities including instruction, support services, operation of non-instructional services, extracurricular activities, and interest and fiscal charges.

Reporting the School District's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The analysis of the School District's major funds begins on page 10. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multiple of 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, ESSER Special Revenue Fund, and Permanent Improvement Capital Projects 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.

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The School District's only fund of this type is the Self-Insurance Internal Service Fund. However, the activity of this fund is combined with the Governmental Activities on the entity wide financial statements.

The School District as a Whole

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

Table 1 - Net Position

	2022	Restated 2021	Change
Assets			
Current and Other Assets	$35,344,569	$30,826,010	$4,518,559
Net OPEB Asset	1,943,196	1,710,152	233,044
Capital Assets, Net	12,951,740	9,597,377	3,354,363
Total Assets	50,239,505	42,133,539	8,105,966
Deferred Outflows of Resources			
Pension	5,501,844	5,170,400	331,444
OPEB	727,911	887,532	(159,621)
Asset Retirement Obligation	13,600	14,400	(800)
Total Deferred Outflows of Resources	6,243,355	6,072,332	171,023
Liabilities			
Current and Other Liabilities	4,317,256	4,176,552	140,704
Long-term Liabilities:	`		
Due within One Year	335,176	292,847	42,329
Due in More Than One Year:			
Net Pension Liability	15,950,621	30,953,476	(15,002,855)
Net OPEB Liability	2,194,431	2,519,873	(325,442)
Other Amounts	2,322,908	2,316,339	6,569
Total Liabilities	25,120,392	40,259,087	(15,138,695)
Deferred Inflows of Resources			
Property Taxes	17,274,603	16,159,650	1,114,953
Pension	13,524,698	678,575	12,846,123
OPEB	3,787,279	3,698,759	88,520
Leases	8,190	13,189	(4,999)
Total Deferred Inflows of Resources	34,594,770	20,550,173	14,044,597
Net Position			
Net Investment in Capital Assets	12,345,202	9,414,216	2,930,986
Restricted	3,608,573	3,100,986	507,587
Unrestricted (Deficits)	(19,186,077)	(25,118,591)	5,932,514
Total Net Position	($3,232,302)	($12,603,389)	$9,371,087

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 are no repayment schedules for the net pension or the net OPEB liabilities. 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 of governmental activities increased $8,105,966. Current assets increased $4,518,559 due to increases in intergovernmental receivables and property taxes receivable, respectively. There was also increases of $162,075 in accounts receivable and $29,493 in materials and supplies inventory. These increases were offset by a decrease in preapaids of $134,167 and $4,999 in lease receivables. Other changes in total assets are presented in Table 1.

Total liabilities decreased $15,138,695. Current and other liabilities increased $140,704. Current liabilities changes due to increases in accounts, contracts, and retainage payables of $34,789, $168,600 and $69,777, respectively. Offsetting those increases include a decrease in matured compensated absences of $85,254. Long-term liabilities decreased $15,279,399, with a decrease in net OPEB liability of $325,442 and a decrease in net pension liability of $15,002,885.

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

Table 2
Changes in Net Position

	2022	2021	Change
Revenues			
Program Revenues:			
Charges for Services and Sales	$1,152,242	$1,224,644	($72,402)
Operating Grants, Contributions, and Interest	7,083,095	7,508,077	(424,982)
Capital Grants, Contributions, and Interest	1,684,267	0	1,684,267
Total Program Revenues	9,919,604	8,732,721	1,186,883
General Revenues:			
Property Taxes	15,800,055	14,643,437	1,156,618
Grants and Entitlements	10,116,803	9,727,421	389,382
Investment Earnings	16,580	18,430	(1,850)
Gifts and Donations	0	1,045	(1,045)
Miscellaneous	105,039	438,170	(333,131)
Total General Revenues	26,038,477	24,828,503	1,209,974
Total Revenues	35,958,081	33,561,224	2,396,857
Program Expenses			
Instruction:			
Regular	10,677,187	13,754,085	(3,076,898)
Special	4,156,030	4,897,211	(741,181)
Vocational	73,785	85,616	(11,831)
Student Intervention	163,867	182,860	(18,993)
Support Services:			
Pupils	1,237,358	1,380,634	(143,276)
Instructional Staff	1,544,067	1,785,671	(241,604)
Board of Education	183,776	113,592	70,184
Administration	1,808,730	2,316,537	(507,807)
Fiscal	760,630	1,268,714	(508,084)
Business	212,197	201,841	10,356
Operation and Maintenance of Plant	1,819,531	2,820,272	(1,000,741)
Pupil Transportation	1,167,173	1,211,845	(44,672)
Central	315,502	327,833	(12,331)
Operation of Non-Instructional Services:			
Food Service Operations	1,688,838	1,012,929	675,909
Community Services	163,850	196,320	(32,470)
Extracurricular Activities	608,489	842,293	(233,804)
Interest	5,984	21,977	(15,993)
Total Expenses	26,586,994	32,420,230	(5,833,236)
Change in Net Position	9,371,087	1,140,994	8,230,093
Net Position Beginning of Year - Restated	(12,603,389)	(13,744,383)	1,140,994
Net Position End of Year	($3,232,302)	($12,603,389)	$9,371,087

Total revenues increased $2,396,857. Total program revenues increased $1,186,883 from fiscal year 2021 to fiscal year 2022 primarily in the area of capital grants, contributions, and interest in the amount of $1,684,267 due to ESSER dollars received in response to the COVID-19 pandemic. General revenues increased $1,209,974 primarily due to an increase in property taxes of $1,156,618.

The DeRolph III decision has not eliminated the dependence on property taxes. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. Inflation alone will not increase the amount of funds generated by a tax levy. The mills collected decreases as the property valuation increases, thus generating about the same revenue unless new construction or growth are a factor. Property taxes made up approximately 61% of general revenues for governmental activities for the School District in fiscal year 2022.

The Statement of Activities shows the cost of program services and the charges for services, grants, contributions, and interest earnings 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
Cost of Services
Governmental Activities

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Program Expenses				
Instruction:				
Regular	$10,677,187	$8,270,159	$13,754,085	$11,728,340
Special	4,156,030	1,770,057	4,897,211	2,107,197
Vocational	73,785	12,975	85,616	(846)
Student Intervention	163,867	163,867	182,860	82,598
Support Services:				
Pupils	1,237,358	1,129,860	1,380,634	850,236
Instructional Staff	1,544,067	953,094	1,785,671	1,274,321
Board of Education	183,776	183,776	113,592	113,592
Administration	1,808,730	1,710,067	2,316,537	1,440,533
Fiscal	760,630	760,630	1,268,714	1,268,714
Business	212,197	206,676	201,841	196,630
Operation and Maintenance of Plant	1,819,531	84,432	2,820,272	2,567,682
Pupil Transportation	1,167,173	948,637	1,211,845	1,047,534
Central	315,502	307,592	327,833	317,793
Operation of Non-Instructional Services:				
Food Service Operations	1,688,838	(54,694)	1,012,929	(1,314)
Community Services	163,850	(40,553)	196,320	19,915
Extracurricular Activities	608,489	254,831	842,293	627,832
Interest and Fiscal Charges	5,984	5,984	21,977	21,977
Total	$26,586,994	$16,667,390	$32,420,230	$23,662,734

The dependence upon tax revenues and state subsidies for governmental activities is apparent. 62% of program expenses are supported through taxes, unrestricted grants and entitlements, and other general revenues.

The School District Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of $35,652,108 and expenditures of $32,828,776. The School District continued to focus its efforts to monitor expenditures, with modest increases in supply and purchased services budgets, as well as maintaining current personnel staffing levels. The General Fund had an increase in its fund balance of $2,719,916, which includes making a transfer to the Athletic Fund for $130,000. The ESSER Special Revenue Fund spent nearly all of its revenues of $3,708,779, except $350, on various programs and projects of the School District. The Permanent Improvement Capital Projects Fund decreased its fund balance $97,209.

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 did not amend its General Fund estimated revenues or its appropriations. 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, cash basis revenue was $25,449,848, $68,848 above estimates. Original appropriations for expenditures were increased $1,049,790 in nearly every instruction and support category. Actual expenditures were $3,141,046 under final appropriations of $26,359,747. The General Fund ending fund balance was $8,665,987.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2022, the School District had $12,345,202 invested in capital assets, net of debt. See Note 11 for more detailed information. Table 4 shows fiscal year 2022 balances compared to 2021.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	2022	2021
Land	$1,755,605	$1,755,605
Construction in Progress	935,745	200,036
Intangible Right to Use Lease	180,000	0
Land Improvements	568,887	99,230
Buildings and Improvements	7,951,281	5,746,425
Furniture and Equipment	577,717	722,148
Vehicles	982,505	1,073,933
Totals	$12,951,740	$9,597,377

Debt

During fiscal year 2022, the School District had the following changes in long-term obligations:

	2022	2021
2006 Energy Conservation		
Lease Payable	$185,000	$0
Financed Purchase	187,419	369,670
Asset Retirement Obligation	40,000	40,000
Totals	$412,419	$409,670

See Note 17 to the basic financial statements for more information on debt.

Current Issues

The Marietta City School District is considered a mid-wealth School District. The School District is financially stable and with the addition of ESSER funds, this will give the School District some flexibility in future fiscal years. A new funding formula is in place for fiscal years 2022 and 2023 and will provide some additional funding for the School District.

The School District is dedicated in providing a professional teaching staff and support staff for all students along with healthy and sound environment. The School District is also dedicated in providing a competitive salary and benefit package for employees to provide students the greatest chance to be learners for life. A new facilities plan was placed in front of voters in November 2020 and was defeated. Since then, the School District is using ESSER funds and permanent improvement funds to make necessary upgrades to existing buildings.

Consolidation occurred in the summer of 2021 and the School District is now composed of two (K-2) buildings at Phillips and Washington, one (3-6) building now called Marietta Elementary School, and one (7-12) building Marietta High School. Enrollment is also a challenge for the School District as parents and students have more choices for education than in the past. Enrollment is steadily declining over the past several fiscal years.

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 Frank Antill, Treasurer at Marietta City School District, 11 Academy Drive, Marietta, Ohio 45750-8053.

Marietta City School District, Ohio

Statement of Net Position

June 30, 2022

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$15,051,714
Accounts Receivable	179,674
Intergovernmental Receivable	1,639,396
Prepaid Items	39,556
Materials and Supplies Inventory	142,893
Inventory Held for Resale	9,805
Lease Receivable	8,190
Property and Other Taxes Receivable	18,273,341
Net OPEB Asset	1,943,196
Nondepreciable Capital Assets	2,691,350
Depreciable Capital Assets, Net	10,260,390
Total Assets	50,239,505
Deferred Outflows of Resources	
Pension	5,501,844
OPEB	727,911
Asset Retirement Obligation	13,600
Total Deferred Outflows of Resources	6,243,355
Liabilities	
Accounts Payable	353,184
Accrued Wages and Benefits Payable	2,454,497
Contracts Payable	333,890
Retainage Payable	87,648
Intergovernmental Payable	597,033
Accrued Interest Payable	4,647
Matured Compensated Absences Payable	57,852
Claims Payable	428,505
Long-Term Liabilities:	
Due Within One Year	335,176
Due In More Than One Year:	
Net Pension Liability	15,950,621
Net OPEB Liability	2,194,431
Other Amounts Due in More Than One Year	2,322,908
Total Liabilities	25,120,392
Deferred Inflows of Resources	
Property Taxes	17,274,603
Pension	13,524,698
OPEB	3,787,279
Leases	8,190
Total Deferred Inflows of Resources	34,594,770
Net Position	
Net Investment in Capital Assets	12,345,202
Restricted for:	
Capital Projects	1,973,880
Food Service	854,569
Student Activities	192,793
State Grant Programs	365
Federal Grant Programs	423,303
Local Programs	143,483
Unclaimed Monies	15,828
Debt Service	4,352
Unrestricted (Deficit)	(19,186,077)
Total Net Position	($3,232,302)

See accompanying notes to the basic financial statements.

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest	Governmental Activities
Governmental Activities					
Instruction:					
Regular	$10,677,187	$570,157	$1,836,871	$0	(8,270,159)
Special	4,156,030	52,043	2,333,930	0	(1,770,057)
Vocational	73,785	0	60,810	0	(12,975)
Student Intervention	163,867	0	0	0	(163,867)
Support Services:					
Pupils	1,237,358	0	107,498	0	(1,129,860)
Instructional Staff	1,544,067	1,189	589,784	0	(953,094)
Board of Education	183,776	0	0	0	(183,776)
Administration	1,808,730	41,508	57,155	0	(1,710,067)
Fiscal	760,630	0	0	0	(760,630)
Business	212,197	5,521	0	0	(206,676)
Operation and Maintenance of Plant	1,819,531	0	161,692	1,573,407	(84,432)
Pupil Transportation	1,167,173	20,599	87,077	110,860	(948,637)
Central	315,502	0	7,910		(307,592)
Operation of Non-Instructional Services:					
Food Service Operations	1,688,838	133,955	1,609,577	0	54,694
Community Services	163,850	2,158	202,245	0	40,553
Extracurricular Activities	608,489	325,112	28,546	0	(254,831)
Interest and Fiscal Charges	5,984	0	0	0	(5,984)
Total Governmental Activities	$26,586,994	$1,152,242	$7,083,095	$1,684,267	(16,667,390)

General Revenues	
Property and Other Taxes Levied for:	
General Purposes	14,574,983
Capital Improvements	1,225,072
Grants and Entitlements not Restricted to Specific Programs	10,116,803
Interest	16,580
Miscellaneous	105,039
Total General Revenues	26,038,477
Change in Net Position	9,371,087
Net Position (Deficit) Beginning of Year - Restated (See Note 3)	(12,603,389)
Net Position (Deficit) End of Year	($3,232,302)

See accompanying notes to the basic financial statements

Marietta City School District, Ohio

Balance Sheet
Governmental Funds
June 30, 2022

	General	ESSER	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	$9,318,479	$0	$2,137,359	$1,347,165	$12,803,003
Receivables:					
Property and Other Taxes	16,851,930	0	1,421,411	0	18,273,341
Accounts	177,137	0	0	2,537	179,674
Intergovernmental	421,765	923,224	0	294,407	1,639,396
Interfund	331,783	0	0	4,888	336,671
Leases	8,190	0	0	0	8,190
Prepaid Items	36,637	2,919	0	0	39,556
Inventory Held for Resale	0	0	0	9,805	9,805
Materials and Supplies Inventory	140,737	0	0	2,156	142,893
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	15,828	0	0	0	15,828
Total Assets	$27,302,486	$926,143	$3,558,770	$1,660,958	$33,448,357
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	$96,989	$77,405	$45,010	$133,780	$353,184
Contracts Payable	0	332,826	1,064	0	333,890
Accrued Wages and Benefits Payable	2,043,701	113,935	0	296,861	2,454,497
Retainage Payable	0	87,648	0	0	87,648
Matured Compensated Absences Payable	51,549	0	0	6,303	57,852
Interfund Payable	4,888	298,694	0	33,089	336,671
Intergovernmental Payable	555,715	12,806	0	28,512	597,033
Total Liabilities	2,752,842	923,314	46,074	498,545	4,220,775
Deferred Inflows of Resources					
Property Taxes	15,926,789	0	1,347,814	0	17,274,603
Unavailable Revenue	914,935	0	48,888	8,196	972,019
Deferred Inflows - Leases	8,190	0	0	0	8,190
Total Deferred Inflows of Resources	16,849,914	0	1,396,702	8,196	18,254,812
Fund Balances					
Nonspendable	193,202	2,919	0	2,156	198,277
Restricted	0	0	2,115,994	1,189,468	3,305,462
Committed	570,133	0	0	0	570,133
Assigned	1,770,714	0	0	0	1,770,714
Unassigned (Deficit)	5,165,681	(90)	0	(37,407)	5,128,184
Total Fund Balance	7,699,730	2,829	2,115,994	1,154,217	10,972,770
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$27,302,486	$926,143	$3,558,770	$1,660,958	$33,448,357

See accompanying notes to the basic financial statements

Marietta City School District, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2022

Total Governmental Fund Balances		$10,972,770
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.		12,951,740
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds:		
Delinquent Property Taxes	693,854	
Intergovernmental Revenues	189,667	
Tuition and Fees	80,302	
Charges for Services and Sales	914	
Miscellaneous Revenues	7,282	972,019
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal fund are included in governmental activities in the statement of net position.		1,804,378
Interest Payable is accrued for outstanding long-term liabilities while interest is not reported until due on the balance sheet.		(4,647)
The asset retirement obligation, net pension liability, and net OPEB liability/asset are not due and payable in the current period; therefore, the liabilities, asset, and related deferred inflows/outflows are not reported in the funds:		
Deferred Outflows - Asset Retirement Obligation	13,600	
Deferred Outflows - Pension	5,501,844	
Deferred Inflows - Pension	(13,524,698)	
Net Pension Liability	(15,950,621)	
Deferred Outflows - OPEB	727,911	
Deferred Inflows - OPEB	(3,787,279)	
Net OPEB Asset	1,943,196	
Net OPEB Liability	(2,194,431)	(27,270,478)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Asset Retirement Obligation	(40,000)	
Financed Purchase	(187,419)	
Leases Payable	(185,000)	
Compensated Absences Payable	(2,245,665)	(2,658,084)
Net Position (Deficit) of Governmental Activities		($3,232,302)

See accompanying notes to the basic financial statements

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

	General	ESSER	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues					
Property and Other Taxes	$14,428,938	$0	$1,220,092	$0	$15,649,030
Intergovernmental	10,985,332	3,708,779	123,701	3,868,141	18,685,953
Interest	17,102	0	0	174	17,276
Tuition and Fees	310,437	0	0	255,892	566,329
Leases	4,999	0	0	0	4,999
Extracurricular Activities	31,690	0	0	176,964	208,654
Charges for Services and Sales	0	0	0	290,522	290,522
Gifts and Donations	14,318	0	0	27,991	42,309
Miscellaneous	182,088	0	0	4,948	187,036
Total Revenues	25,974,904	3,708,779	1,343,793	4,624,632	35,652,108
Expenditures					
Current:					
Instruction:					
Regular	9,722,304	1,549,320	313,253	411,990	11,996,867
Special	3,348,898	0	0	1,290,802	4,639,700
Vocational	81,345	0	0	0	81,345
Student Intervention	163,867	0	0	0	163,867
Support Services:					
Pupils	1,275,761	107,488	0	0	1,383,249
Instructional Staff	1,257,890	196,948	0	386,303	1,841,141
Board of Education	168,718	0	0	0	168,718
Administration	2,018,468	9,365	0	44,453	2,072,286
Fiscal	649,145	0	115,016	0	764,161
Business	210,157	0	0	0	210,157
Operation and Maintenance of Plant	2,217,426	1,725,976	772,159	0	4,715,561
Pupil Transportation	1,205,041	119,332	47,830	0	1,372,203
Central	355,768	0	0	7,200	362,968
Operation of Non-Instructional Services:					
Food Service Operations	0	0	0	1,673,125	1,673,125
Community Services	730	0	0	184,097	184,827
Extracurricular Activities	409,470	0	0	556,387	965,857
Debt Service:					
Principal Retirement	40,000	0	182,251	0	222,251
Interest and Fiscal Charges	0	0	10,493	0	10,493
Total Expenditures	23,124,988	3,708,429	1,441,002	4,554,357	32,828,776
Excess of Revenues Over (Under) Expenditures	2,849,916	350	(97,209)	70,275	2,823,332
Other Financing Source (Use)					
Transfers In	0	0	0	130,000	130,000
Transfers Out	(130,000)	0	0	0	(130,000)
Total Other Financing Source (Use)	(130,000)	0	0	130,000	0
Net Change in Fund Balances	2,719,916	350	(97,209)	200,275	2,823,332
Fund Balances Beginning of Year - Restated (See Note 3)	4,979,814	2,479	2,213,203	953,942	8,149,438
Fund Balances End of Year	$7,699,730	$2,829	$2,115,994	$1,154,217	$10,972,770

See accompanying notes to the basic financial statements

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

Net Change in Fund Balances - Total Governmental Funds		$2,823,332
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. This is the amount by which capital outlays exceeded depreciation and amortization in the current period:		
Capital Outlay	3,859,065	
Current Year Depreciation and Amortization	(441,901)	3,417,164
Capital Assets removed from the capital asset account on the statement of net position resulted in a loss on disposal of capital assets on the statement of activities		(62,801)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Delinquent Property Taxes	151,025	
Intergovernmental Revenues	155,729	
Tuition and Fees	80,302	
Charges for Services and Sales	914	
Miscellaneous	(81,997)	305,973
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Lease	40,000	
Financed Purchase	182,251	222,251
Inception of leases increases long-term liabilities on the statement of activities.		(225,000)
In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expended when due.		4,509
Amortization of deferred inflows related to the asset retirement obligation is reported as an expense in the statement of activities.		(800)
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	1,704,318	
OPEB	68,560	1,772,878
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities:		
Pension	783,858	
OPEB	241,785	1,025,643
Expenses resulting from compensated absences in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(46,149)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. The net change of the internal service fund is reported with governmental activities.		134,087
Change in Net Position of Governmental Activities		$9,371,087

See accompanying notes to the basic financial statements

Marietta City School District, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$13,600,000	$13,600,000	$14,430,583	$830,583
Intergovernmental	11,035,000	11,035,000	10,777,453	(257,547)
Interest	20,000	20,000	16,601	(3,399)
Tuition and Fees	686,000	686,000	173,075	(512,925)
Leases	15,884	15,884	5,500	(10,384)
Gifts and Donations	5,000	5,000	0	(5,000)
Miscellaneous	19,116	19,116	46,636	27,520
Total Revenues	25,381,000	25,381,000	25,449,848	68,848
Expenditures				
Current:				
Instruction:				
Regular	11,486,750	11,483,910	9,596,473	1,887,437
Special	3,589,863	3,828,363	3,368,683	459,680
Vocational	80,870	86,070	81,563	4,507
Student Intervention Services	153,150	223,150	170,349	52,801
Support Services:				
Pupils	1,302,741	1,377,746	1,268,765	108,981
Instructional Staff	1,263,684	1,272,984	1,248,323	24,661
Board of Education	104,836	200,236	191,017	9,219
Administration	2,275,345	2,275,345	2,061,635	213,710
Fiscal	583,555	615,655	611,702	3,953
Business	239,688	254,688	222,155	32,533
Operation and Maintenance of Plant	2,094,950	2,458,250	2,313,960	144,290
Pupil Transportation	1,293,475	1,424,975	1,307,016	117,959
Central	329,850	338,750	327,514	11,236
Extracurricular Activities	511,200	519,625	448,936	70,689
Total Expenditures	25,309,957	26,359,747	23,218,091	3,141,656
Excess of Revenues Over (Under) Expenditures	71,043	(978,747)	2,231,757	3,210,504
Other Financing Sources (Uses)				
Refund of Prior Year Expenditures	0	0	123,218	123,218
Proceeds from Sale of Capital Assets	50,000	50,000	0	(50,000)
Other Financing Uses	(2,240,044)	(1,190,254)	0	1,190,254
Transfers Out	(450,000)	(450,000)	(430,000)	20,000
Total Other Financing Sources (Uses)	(2,640,044)	(1,590,254)	(306,782)	1,283,472
Net Change in Fund Balance	(2,569,001)	(2,569,001)	1,924,975	4,493,976
Fund Balance Beginning of Year	6,636,966	6,636,966	6,636,966	0
Prior Year Encumbrances Appropriated	104,046	104,046	104,046	0
Fund Balance End of Year	$4,172,011	$4,172,011	$8,665,987	$4,493,976

See accompanying notes to the basic financial statements

Marietta City School District, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis)
Elementary Secondary School Emergency Relief
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Intergovernmental	$11,130,000	$11,463,575	$2,836,191	($8,627,384)
Expenditures				
Current:				
Instruction:				
Regular	848,543	2,749,619	1,471,621	1,277,998
Support Services:				
Pupils	48,239	156,312	107,488	48,824
Instructional Staff	239,464	775,959	559,713	216,246
Administration	8,980	29,100	7,559	21,541
Operation and Maintenance of Plant	5,181,013	7,391,393	2,458,926	4,932,467
Pupil Transportation	73,761	239,014	120,593	118,421
Total Expenditures	6,400,000	11,341,397	4,725,900	6,615,497
Net Change in Fund Balance	4,730,000	122,178	(1,889,709)	(2,011,887)
Fund Balance Beginning of Year	(77,176)	(77,176)	(77,176)	0
Prior Year Encumbrances Appropriated	49,184	49,184	49,184	0
Fund Balance End of Year	$4,702,008	$94,186	($1,917,701)	($2,011,887)

See accompanying notes to the basic financial statements

Marietta City School District, Ohio
Statement of Fund Net Position
Self-Insurance Internal Service Fund
June 30, 2022

	Medical & Vision Internal Service Fund
Current Assets	
Equity in Pooled Cash and Cash Equivalents	$2,232,883
Current Liabilities	
Claims Payable	428,505
Net Position	
Unrestricted	$1,804,378

See accompanying notes to the basic financial statements

Marietta City School District, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Position
Self-Insurance Internal Service Fund
For the Fiscal Year Ended June 30, 2022

	Medical & Vision Internal Service Fund
Operating Revenues	
Charges for Services	$4,140,394
Operating Expenses	
Purchased Services	728,931
Claims	3,277,376
Total Operating Expenses	4,006,307
Change in Net Position	134,087
Net Position Beginning of Year	1,670,291
Net Position End of Year	$1,804,378

See accompanying notes to the basic financial statements

Marietta City School District, Ohio
Statement of Cash Flows
Self-Insurance Internal Service Fund
For the Fiscal Year Ended June 30, 2022

	Medical & Vision Internal Service Fund
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Transactions with Other Funds	$4,140,394
Cash Payments for Goods and Services	(728,931)
Cash Payments for Claims	(3,313,379)
Net Cash Provided by Operating Activities	98,084
Cash and Cash Equivalents Beginning of Year	2,134,799
Cash and Cash Equivalents End of Year	$2,232,883
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	$134,087
Decrease in Claims Payable	(36,003)
Net Cash Provided by Operating Activities	$98,084

See accompanying notes to the basic financial statements

Note 1 - Description of the School District and Reporting Entity

Marietta City 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 four instructional/support facilities staffed by 95 classified employees, and 171 certificated full-time teaching personnel who provide services to 2,183 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 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 Marietta City 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. The School District has no component units.

The School District participates in three jointly governed organizations and one insurance purchasing pools. These organizations are the Metropolitan Educational Technology Association, the Washington County Career Center, the Coalition of Rural and Appalachian Schools, and the Ohio Association of School Business Officials Workers' Compensation Group Rating Program. These organizations are presented in Notes 18 and 19 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Marietta City 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:

A. 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. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements usually distinguish between those activities of the School District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts, or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The School District 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. The School District has no fiduciary funds.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions or activities. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The School District classifies each fund as either governmental or proprietary.

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

Permanent Improvement Fund This fund accounts for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds.

Elementary and Secondary School Emergency Relief (ESSER) Fund To account for and report emergency relief grants to the School District in response to the COVID-19 pandemic. Grant restrictions include, but are not limited to, providing for coordination of preparedness and response efforts, training and professional development of staff, planning and coordination during long-term closure, and purchasing technology for students.

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

Proprietary Fund Type Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. The School District's only proprietary fund type is an Internal Service Fund.

Internal Service Fund The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for the operation of the School District's self-insurance program for health and vision claims.

Fiduciary Funds 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. Custodial Funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District has no fiduciary funds.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position. The statement of activities accounts for increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

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

For proprietary funds, the statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for proprietary 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 8). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the 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 rentals.

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, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for asset retirement obligations, pension, and OPEB. The deferred outflows of resources related to asset retirement obligations is originally measured at the amount of the corresponding liability. This amount is expensed in a systematic and rational manner over the tangible asset's useful life. The deferred outflows of resources related to pension and OPEB are explained in Notes 15 and 16.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB, leases, 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. The deferred inflow for leases is related to the leases receivable and is being amortized to leases revenue in a systematic and rational manner over the term of the lease. 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, miscellaneous revenues, intergovernmental revenues, tuition, and charges for services and sale. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 15. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 15 and 16)

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.

E. 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" on the financial statements.

During fiscal year 2022, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of $100 million or more is encouraged. STAR Ohio reserves the right to limit the transaction to $250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board 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 $17,102, which includes $4,864 assigned from other School District funds.

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 on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

F. 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 services are consumed.

G. Inventory

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

H. Capital Assets

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

All capital assets (except for intangible right-to-use lease assets, which are discussed below) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. The School District was able to estimate the historical cost for the initial reporting of certain assets by back trending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated fixed 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 does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Estimated Lives
Land Improvements	20 years
Buildings and Improvements	20 - 150 years
Furniture and Equipment	5 - 25 years
Vehicles	15 years
Intangible Right To Use Asset	5 years

The School District is reporting intangible right to use assets related to a leased stadium. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, these intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

I. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for vacation eligible employees. Due to vacation balance being cumulative at year-end, the liability is reported on the government-wide financial statements.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees that 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 after twenty years of current service with the School District.

The entire compensated absences liability is reported on the government-wide financial statements. On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each person upon the occurrence of employee resignations and retirements. These amounts are recorded in the accounts "matured compensated absences payable" in the funds from which these payments will be made.

J. 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. Financed purchases, leases, and the ARO are recognized as liabilities on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

K. Internal Activity

Transfers within governmental activities are 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.

L. 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.

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes 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 the School District Board of Education or a School District official delegated that authority by resolution or by 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 the fund balance to cover a gap between estimated revenues and appropriations in fiscal year 2023's appropriated budget.

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

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

M. 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 first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

N. 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.

O. 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.

P. 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.

Q. Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the School District may appropriate.

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 for all funds except the General Fund where the legal level of control is at the fund, function, and object level. The Treasurer maintains budgetary information at the fund, function, and object level and has the authority to allocate appropriations to the function and object level for 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 in the budgetary statement are based on estimates made before the end of the prior fiscal year. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the amended certificate in effect when final appropriations for the fiscal year were passed.

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 prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

Note 3 - Change in Accounting Principle and Restatement of Fund Balances/Net Position

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

For fiscal year 2022, the School District modified its approach related to the eligibility requirements of certain School District grants resulting in the following restatements to fund balance/net position at June 30, 2021:

	Governmental Funds				
	General	Permanent Improvement	ESSER	Other Governmental Funds	Total
Fund Balances, June 30, 2021	$4,979,814	$2,213,203	($1,036)	$911,392	$8,103,373
Adjustments to:					
Grants Receivable	0	0	3,515	(28,290)	(24,775)
Unavailable Reveune	0	0	0	70,840	$70,840
Restated Fund Balances, June 30, 2021	$4,979,814	$2,213,203	$2,479	$953,942	$8,149,438

	Governmental Activities
Net Position, June 30, 2021	($12,578,614)
Adjustments to	
Grants Receivable	(24,775)
Restated Net Position, June 30, 2021	($12,603,389)

Note 4 - Fund Deficits

As of June 30, 2022, the Federal Grants Special Revenue Fund had a deficit fund balance of $37,407. These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the General Fund needed for operations until the receipt of grant monies. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 5 - 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 governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are as follows:

Fund Balances	General Fund	Esser Fund	Permanent Improvement Fund	Other Governmental Funds	Total
Nonspendable:					
Prepaid Items	$36,637	$2,919	$0	$0	$39,556
Unclaimed Monies	15,828	0	0	0	15,828
Materials and Supplies Inventory	140,737	0	0	2,156	142,893
Total Nonspendable	193,202	2,919	0	2,156	198,277
Restricted for:					
Capital Projects	0	0	2,115,994	0	2,115,994
Food Service	0	0	0	844,217	844,217
Student Activities	0	0	0	192,793	192,793
State Grant Programs	0	0	0	4,623	4,623
Local Programs	0	0	0	143,483	143,483
Debt Service	0	0	0	4,352	4,352
Total Restricted	0	0	2,115,994	1,189,468	3,305,462
Committed:					
Termination Benefits	570,133	0	0	0	570,133
Assigned to:					
Purchases on Order	205,539	0	0	0	205,539
Public School Support	172,125	0	0	0	172,125
Fiscal Year 2023 Appropriations	1,393,050	0	0	0	1,393,050
Total Assigned	1,770,714	0	0	0	1,770,714
Unassigned (Deficit):	5,165,681	(90)	0	(37,407)	5,128,184
Total Fund Balances	$7,699,730	$2,829	$2,115,994	$1,154,217	$10,972,770

Note 6 - 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 Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) presented for the General Fund and ESSER Special Revenue Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and 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 of fund balance (GAAP basis).

4. Prepaid items are reported on the balance sheet (GAAP basis), but not on the budgetary basis.

5. Budgetary revenues and expenditures of the Public School Support Fund are reclassified to the General Fund for GAAP reporting.

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and the ESSER Fund.

Net Change in Fund Balance

	General Fund	ESSER Fund
GAAP Basis	$2,719,916	$350
Revenue Accruals	109,771	(872,588)
Expenditure Accruals	(328,538)	314,941
Prepaids Items:		
Beginning	38,547	0
Ending	(36,637)	(2,919)
Debt Principal	40,000	0
Advances to Other Funds for Cash Deficits	(331,438)	289,604
To reclassify excess of expenditures over revenues into financial statement fund types	(60,696)	0
Encumbrances	(225,950)	(1,619,097)
Budget Basis	$1,924,975	($1,889,709)

Note 7 - 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.

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

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

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

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

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

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

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

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

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

8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim 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, $1,193,934 of the School District's total bank balance of $15,102,376 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution.

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

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

Investments As of June 30, 2022, the School District had the following investment:

	Measurement Amount	Maturity	Standard & Poor's Rating
Net Asset Value Per Share			
Star Ohio	$3,120	Average 35.3 days	AAAm

Interest Rate Risk The School District's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years, and allows for the withdrawal of funds from approved public depositories or sell negotiable instruments prior to maturity in accord with the law. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk STAR Ohio carries a rating of AAAm by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

Note 8 - Property Taxes and Abatements

A. 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 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 thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2022 represents collections of calendar year 2021 taxes. Public utility real 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 thirty-five 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 Washington 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 taxes which are measurable as of June 30, 2022, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is 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 $229,781in the General Fund and $24,709 in the Permanent Improvement Fund. The amount available as an advance at June 30, 2021, was $341,820 in the General Fund and $29,832 in the Permanent Improvement 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 revenue.

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

	2021 Second Half Collections		2022 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	$377,664,200	68.66%	$377,716,370	65.72%
Commerical/Industrial and Public Utility Real	145,332,690	26.42%	146,014,460	25.40%
Public Utility Personal	27,028,270	4.91%	51,022,040	8.88%
	$550,025,160	100.00%	$574,752,870	100.00%
Tax Rate per $1,000 of assessed valuation		$49.17		$48.93

B. Tax Abatements

The School District property taxes were reduced as follows under community reinvestment area and enterprise zone agreements entered into by overlapping governments:

Washington County	Amount of Fiscal Year 2022 Taxes Abated
Community Reinvestment Areas:	
Hipodrome/Colony Historical Theatre	$11,191
Perry and Associates	17,363
Enterprise Zone Tax Exemptions:	
Washington Co-op	14,770

Note 9 - Receivables

Receivables at June 30, 2022, consisted of property taxes, accounts (billings for user charged services and tuition and fees), leases, interfund, and intergovernmental grants. All receivables, except for delinquent property taxes and leases, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. The delinquent property taxes amounted to $693,854.

A summary of principal items of intergovernmental receivables follows:

	Amounts
Governmental Activities	
ESSER Grant	$923,224
Ohio Valley Education Service Refund	188,844
Title I-A	155,824
Medicaid Reimbursements	152,302
Part B Idea	87,816
School Employees Retirement System	49,667
Foundation Adjustments	24,372
Title VI-B Rural and Low Income	23,096
Food Service Reimbursements	7,282
High Schools That Work	6,000
BMC Premium Refund	5,915
Juvenile Center Charges	5,772
Title IV-A Student Support	5,308
Title I - Delinquent	2,895
Title II-A	414
Washington State Coummunity College-Volunteer	350
Summer work program	315
Total	$1,639,396

Leases Receivable

The School District is reporting a Lease Receivable of $8,190 at June 30, 2022. For fiscal year 2022, the School District reported lease revenue of $4,999 and interest revenue of $501 related to lease payments received. A description of the School District's leasing arrangement is as follows:

On November 5, 2020, School District entered into a three year lease agreement with Viasat for space on top of a building for a satellite. Based on this agreement, the School District is receiving monthly payments through 2023.

A summary of the future principal and interest to be received is as follows:

Fiscal Year	Principal	Interest
2023	$5,744	$256
2024	2,446	21
	$8,190	$277

Note 10 - Interfund Activity

A. Transfers

The General Fund made transfers to the Athletic Special Revenue Fund for $130,000 to use unrestricted revenues collected in the General Fund to finance student programs in accordance with budgetary authorizations.

B. Interfund Balances

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

	Receivables	Payables
General Fund	$331,783	$4,888
Nonmajor Special Revenue Funds:		
ESSERS Grant Fund	0	298,694
Student Acitvities	0	255
Other Local Funds	4,888	0
Miscellaneous Federal Grants Fund	0	32,834
Total All Funds	$336,671	$336,671

Interfund balances/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization; and to segregate and to return money to the fund from which it was originally provided once a project is completed.

Note 11 - Capital Assets

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

	Balance 6/30/2021	Additions	Deductions	Balance 6/30/2022
Capital Assets:				
Capital Assets not being Depreciated and Amortized:				
Land	$1,755,605	$0	$0	$1,755,605
Construction in Progress	200,036	998,079	(262,370)	935,745
Total Capital Assets not being Depreciated	1,955,641	998,079	(262,370)	2,691,350
Depreciable Capital Assets:				
Land Improvements	883,428	488,561	0	1,371,989
Intangible Right to Use Lease - Stadium	115,500	225,000	(115,500)	225,000
Buildings and Improvements	9,979,228	2,321,710	0	12,300,938
Furniture and Equipment	2,207,466	40,255	(126,180)	2,121,541
Vehicles	2,436,106	47,830	0	2,483,936
Total Capital Assets being Depreciated and Amortiz	15,621,728	3,123,356	(241,680)	18,503,404
Less Accumulated Depreciation and Amortization:				
Land Improvements	(784,198)	(18,904)	0	(803,102)
Intangible Right to Use Lease - Stadium	(115,500)	(45,000)	115,500	(45,000)
Buildings and Improvements	(4,232,803)	(116,854)	0	(4,349,657)
Furniture and Equipment	(1,485,318)	(121,885)	63,379	(1,543,824)
Vehicles	(1,362,173)	(139,258)	0	(1,501,431)
Total Accumulated Depreciation and Amortization	(7,979,992)	(441,901) *	178,879	(8,243,014)
Depreciable Capital Assets net of Accumulated Depreciation and Amortization	7,641,736	2,681,455	(62,801)	10,260,390
Capital Assets, Net	$9,597,377	$3,679,534	($325,171)	$12,951,740

$225,000 (less $45,000 in accumulated depreciation) is related to the School District's intangible asset (a stadium), which is included in the capital assets as an Intangible Right to Use Lease. With the implementation of Governmental Accounting Standard Board Statement No. 87, *Leases*, a lease meeting the criteria of this Statement requires the lessee to recognize a lease liability and an intangible right to use asset.

* Depreciation and Amortization expense was charged to governmental functions as follows:

Instruction:	
Regular	$97,304
Special	13,913
Vocational	2,019
Support Services:	
Pupils	3,724
Instructional Staff	12,991
Administration	9,575
Fiscal	1,388
Business	2,668
Operation and Maintenance of Plant	41,203
Pupil Transportation	132,132
Central	694
Food Service Operations	15,713
Board of Education	15,058
Extracurricular Activities	93,519
Total Depreciation and Amortization Expense	$441,901

Note 12 - Significant Commitments

A. Encumbrances

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

General Fund	$225,950
ESSER Special Revenue Fund	1,619,097
Permanent Improvement Fund	690,690
Nonmajor Funds	124,651
Total	$2,660,388

B. Contractual Commitments

As of June 30, 2022, the School District has contractual purchase commitments for the following projects:

Project	Contract Amount	Contract Expended	Balance at 6/30/22
High School Roof:			
Permanent Improvement Fund	$29,800	$20,434	$9,366
ESSER Fund	1,417,027	795,425	621,602
Total	1,446,827	815,859	630,968
Washington School Gym Roof:			
ESSER Fund	129,160	119,886	9,274
Total	$1,575,987	$935,745	$640,242

Note 13 - Risk Management

A. 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 Peoples Insurance Agency through Oho Casualty Insurance for general liability, vehicle, and property insurance. Coverage provided by the Liberty Mutual Insurance Company is as follows:

Building and Contents-replacement cost ($5,000 deductible)	$99,382,750
Boiler and Machinery ($10,000 deductible)	99,382,750
Inland Marine:	
Cameras and audio-visual equipment ($500 deductible)	50,000
Signs ($500 deductible)	10,000
Music Instruments ($500 deductible)	250,000
Band Uniforms ($500 deductible)	50,000
Computers per Building ($500 deductible)	200,000
Miscellaneous School Equipment	
and Property ($250 deductible)	50,000
Athletic Equipment ($500 deductible)	500,000
Rented Equipment ($1000 deductible)	50,000
Crime ($1000 deductible) -	
Public Employee Dishonesty	100,000
Money and Securities –	
Inside Premises – Per Occurrence	15,000
Outside Premises – Per Messenger	15,000
Forgery or Alteration	100,000
Automobile Liability (no deductible):	
Bodily Injury and Property Damage – combined single limit	1,000,000
Medical Payments – each person	$5,000
Hired Car Physical Damage	50,000
General Liability (no deductible):	
Each Occurrence	1,000,000
Aggregate Limit	2,000,000
Medical Expense Limit – per person/accident	15,000
Employee Benefits Liability ($1,000 deductible):	

Per Claim	$1,000,000
Aggregate Limit	3,000,000
Educators Legal Liability ($5,000 deductible):	
Per Claim	1,000,000
Aggregate Limit	1,000,000
Umbrella:	
Each Occurrence	4,000,000
Aggregate Limit	4,000,000

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

B. Worker's Compensation

During fiscal year 2022, the School District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (Program), an insurance purchasing pool (Note 19). The intent of the Program 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 Program. 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 Program. Each participant pays its workers' compensation premium to the State based on the rate for the Program rather than its individual rate. Participation in the Program is limited to school districts that can meet the GRP's selection criteria. The firm of Sedgwick provides administrative, cost control, and actuarial services to the Program.

C. Health and Vision Insurance

Health and vision insurance are offered to employees through a self-insurance internal service fund. Monthly premiums for cost of claims are remitted to the fiscal agent who in turn pays the claims on the School District's behalf. The claims liability of $428,505 reported in the internal service fund at June 30, 2022, is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims cost, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by the incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for 2021 and 2022 were:

	Balance Beginning of Fiscal Year	Current Fiscal Year Claims	Claim Payments	Balance End of Fiscal Year
2021	$571,855	$3,855,101	$3,962,448	$464,508
2022	464,508	3,277,376	3,313,379	428,505

Note 14 - Employee Benefits

A. 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 fiscal year, depending upon length of service. Vacation can be accumulated up to eight weeks. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 260 days for all personnel. Upon retirement, classified employees receive payment for fifty percent of their accumulated sick days to a maximum of 170 days. Certified employees receive payment for thirty-three percent of their accumulated sick days up to a maximum of 260 days.

B. Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through TrustMark in the amount of $20,000. Dental coverage is also provided through TrustMark. Premiums for this coverage are $78.36 monthly for family and $33.58 for single coverage. The School District also provides vision insurance through TrustMark at rates of $15.68 for family and $7.26 for single coverage.

Note 15 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 16 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	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 School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2022, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was $528,235 for fiscal year 2022. Of this amount, $35,548 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 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 that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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

The School District's contractually required contribution to STRS was $1,176,083 for fiscal year 2022. Of this amount, $205,268 is reported as an intergovernmental payable.

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

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

	SERS	STRS	
Proportion of the Net Pension Liability:			
Prior Measurement Date	0.11201440%	0.09730607%	
Current Measurement Date	0.11292640%	0.09216376%	
Change in Proportionate Share	0.00091200%	-0.00514232%	
			Total
Proportionate Share of the Net Pension Liability	$4,166,657	$11,783,964	$15,950,621
Pension Expense	($131,735)	($652,123)	($783,858)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$402	$364,067	$364,469
Changes of assumptions	87,737	3,269,083	3,356,820
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	32,807	43,430	76,237
School District contributions subsequent to the measurement date	528,235	1,176,083	1,704,318
Total Deferred Outflows of Resources	$649,181	$4,852,663	$5,501,844
Deferred Inflows of Resources			
Differences between expected and actual experience	$108,058	$73,862	$181,920
Net difference between projected and actual earnings on pension plan investments	2,145,950	10,155,522	12,301,472
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	50,216	991,090	1,041,306
Total Deferred Inflows of Resources	$2,304,224	$11,220,474	$13,524,698

$1,704,318 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:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	($557,962)	($1,913,282)	($2,471,244)
2024	(456,410)	(1,620,180)	(2,076,590)
2025	(510,229)	(1,757,114)	(2,267,343)
2026	(658,677)	(2,253,318)	(2,911,995)
Total	($2,183,278)	($7,543,894)	($9,727,172)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2021, compared with June 30, 2020, are presented below:

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

Mortality rates for 2021 were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

The 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 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.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$6,932,293	$4,166,657	$1,834,274

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%	

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

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent 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	$22,066,955	$11,783,964	$3,094,859

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, and 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.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System / State Teachers Retirement System. As of June 30, 2022, there was one Board of Education member electing Social Security.

Note 16 - Defined Benefit OPEB Plans

See Note 15 for a description of the net OPEB liability.

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2022, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the School District's surcharge obligation was $68,560.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was $68,560 for fiscal year 2022 and is 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 or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

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

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

	SERS	STRS	
Proportion of the Net OPEB Liability:			
Prior Measurement Date	0.11594540%	0.09730607%	
Current Measurement Date	0.11594910%	0.09216376%	
Change in Proportionate Share	0.00000370%	-0.00514232%	
Proportionate Share of the:			Total
Net OPEB Liability	$2,194,431	0	$2,194,431
Net OPEB (Asset)	$0	($1,943,196)	($1,943,196)
OPEB Expense	($58,768)	($183,017)	($241,785)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$23,391	$69,191	$92,582
Changes of assumptions	344,254	124,124	468,378
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	95,511	2,880	98,391
School District contributions subsequent to the measurement date	68,560	0	68,560
Total Deferred Outflows of Resources	$531,716	$196,195	$727,911
Deferred Inflows of Resources			
Differences between expected and actual experience	$1,092,926	$356,029	$1,448,955
Changes of assumptions	300,509	1,159,258	1,459,767
Net difference between projected and actual earnings on OPEB plan investments	47,675	538,621	586,296
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	193,050	99,211	292,261
Total Deferred Inflows of Resources	$1,634,160	$2,153,119	$3,787,279

$68,560 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 in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	($282,343)	($578,059)	($860,402)
2024	(282,678)	(564,577)	(847,255)
2025	(252,081)	(513,074)	(765,155)
2026	(208,314)	(225,697)	(434,011)
2027	(113,248)	(76,857)	(190,105)
Thereafter	(32,340)	1,340	(31,000)
Total	($1,171,004)	($1,956,924)	($3,127,928)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2021, compared with June 30, 2020, are presented below:

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

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

PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

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

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

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 15.

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.

	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	$1,689,533	$2,194,431	$2,868,822

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 calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 15.

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.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	($1,639,758)	($1,943,196)	($2,196,675)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	($2,186,404)	($1,943,196)	($1,642,449)

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.

Note 17 - Long-Term Obligations

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

	6/30/2021	Additions	Reductions	Outstanding 6/30/2022	Amounts Due in One Year
Net Pension Liability:					
SERS	$7,408,869	$0	$3,242,212	$4,166,657	$0
STRS	23,544,607	0	11,760,643	11,783,964	0
Total Net Pension Liability	28,368,793	0	15,002,855	15,950,621	0
Net OPEB Liability - SERS	2,519,873	0	325,442	2,194,431	0
Lease Payable	0	225,000	40,000	185,000	42,500
Financed Purchases from Direct Borrowings	369,670	0	182,251	187,419	187,419
Asset Retirement Obligation	40,000	0	0	40,000	0
Compensated Absences Payable	2,199,516	238,115	191,966	2,245,665	105,257
Total Governmental Activities Long-Term Liabilities	$33,497,852	$463,115	$15,742,514	$20,803,136	$335,176

All compensated absences will be paid from the General Fund. The financed purchases are paid from the Permanent Improvement Capital Projects Fund. There are no repayment schedules for the net pension and OPEB liabilities. However, employer pension contributions are made from the following funds: General Fund and the Food Service and Federal Grants Special Revenue Funds. For additional information related to the net pension and OPEB liabilities, see Notes 15 and 16.

Lease Payable - $225,000 has been recorded as an Intangible Right to Use Lease in the Governmental Activities capital assets. Due to the implementation of GASB Statement No. 87, this lease of the Don Drum Stadium met the criteria of a lease thus requiring it to be recorded by the School District. This asset will be amortized over the lease term since it is shorter than the useful life. The lease will end in fiscal year 2026. The lease is paid from the General Fund.

Financed Purchases - During fiscal year 2021, the School District entered into financed purchase agreements for student devices and ipads. These agreements meet the criteria of a financed purchase which is defined as a financed purchase which transfers ownership to the lessee. Financed purchase payments are reflected as debt service expenditures in the fund financial statements. Principal payments made in fiscal year 2022 totaled $182,251. The agreements provide for minimum annual payments as follows:

Fiscal Year Ended	
2023	$192,746
Less: Amount Representing Interest	(5,327)
Present Value of Net Minimum Finance Payments	$187,419

The overall debt margin of the School District as of June 30, 2022, was $47,217,240, with an unvoted debt margin of $524,588.

Note 18 - Jointly Governed Organizations

A. Metropolitan Educational Technology Association (META)

The School District participates in the Metropolitan Educational Technology Association (META), formed from the merger of the Metropolitan Educational Council (MEC) and the Southeastern Ohio Voluntary Education Cooperative (SEOVEC) 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 $83,186 for services with META/MEC/SEOVEC. Financial information can be obtained from Metropolitan Educational Technology Association at 100 Executive Drive, Marion, Ohio 43302.

B. Washington County Career Center

The Washington County Career Center, a joint vocational school, is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the six participating school districts' elected boards and one representative from the Ohio Valley Educational Service Center's Board. The Board possesses its own budgeting and taxing authority. To obtain financial information write to the Washington County Career Center, Joe Crone, Treasurer, at 21740 SR 676, Marietta, Ohio 45750.

C. Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools is a jointly governed organization composed of over 136 school districts and other educational institutions in the 35-county region of Ohio designated as Appalachia. The Coalition is operated by a Board which is composed of seventeen members. One elected and one appointed from each of the seven regions into which the 35 Appalachian counties are divided; and three from Ohio University College of Education. The Coalition provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent on the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Coalition. The School District paid the $325 membership fee for fiscal year 2022 in 2021. The financial information for the Coalition can be obtained from the Executive Director, at McCraken Hall, Ohio University, Athens, Ohio 45701.

Note 19 - Insurance Purchasing Pool

The School District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (Program), an insurance purchasing pool. The Program'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 OASBO. 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 program. No membership dues were paid during fiscal year 2022 by the School District.

Note 20 - 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. In prior fiscal years, the School District was also required to set-aside money for textbooks.

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.

	Capital Improvements
Set-aside Balance as of July 1, 2021	$0
Current Year Set-aside Requirement	430,265
Offsetting Credits	(1,426,494)
Qualifying Disbursements	(508,064)
Total	($1,504,293)
Set-aside Balance Carried Forward to Future Fiscal Years	$0

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

Note 21 - Contingencies

A. Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, 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.

B. Litigation

The School District is currently party to pending litigation seeking damages and/or injunctive relief. The School District management is of opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the School District.

C. School Foundation

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2022 are finalized. As a result, the net impact of the FTE adjustments on the fiscal year 2022 financial statements was insignificant.

Note 22 - Asset Retirement Obligations

The Governmental Accounting Standard Board's (GASB) Statement No. 83, *Certain Asset Retirement Obligations,* provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The Bureau of Underground Storage Tank Regulations (BUSTR) regulates petroleum and hazardous substances stored in underground storage tanks. These regulations are included in Ohio Administrative Code Section 1301-7-9 and require a School District classified as an "owner" or "operator," to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for that year it is not being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination. This asset retirement obligation (ARO) of $40,000 associated with the School Districts' underground storage tank was estimated by the School Districts' Buildings and Grounds Director and a local contractor. The remaining useful life of this UST is 18 years. The School District maintains insurance related to any potential pollution remediation associated with the USTs.

Note 23 - Operating Lease - Lessee Disclosure

During fiscal year 2018, the School District entered into a lease agreement to rent twenty six copiers. The term of the lease agreement is for five years and ends on November 15, 2022. The current terms of the agreement calls for the School District to make monthly rent payments of $.0106 per copy made; $1,544 plus $599 in utility, insurance, and maintenance fees for a total of $2,141 monthly. The amount to be paid during fiscal year 2023 is not determinable due to it being based on per copy made.

Note 24 - COVID-19

The United States and the State of Ohio declared a state of emergency in March 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 in the form of the Governors Emergency Education Relief funding. The financial impact of COVID-19 and the continuing recovery measures will impact subsequent periods of School District. The School District's investment portfolio and the investments of the pensions and other employee benefit plans in which the School District participates have been affected by the pandemic; however, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

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

	2022	2021	2020	2019
School District's Proportion of the Net Pension Liability	0.11292640%	0.11201440%	0.11575220%	0.11088350%
School District's Proportionate Share of the Net Pension Liability	$4,166,657	$7,408,869	$6,925,657	$6,350,504
School District's Covered Payroll	$3,755,671	$3,930,264	$3,981,874	$3,745,585
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	110.94%	188.51%	173.93%	169.55%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.86%	68.55%	70.85%	71.36%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2015 is not available. An additional column will be added each fiscal year.

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

See accompanying notes to the required supplementary information

2018	2017	2016	2015
0.12016430%	0.11900220%	0.12013820%	0.11699200%
$7,179,551	$8,709,862	$6,855,202	$5,920,899
$4,050,514	$3,695,764	$3,616,783	$3,399,553
177.25%	235.67%	189.54%	174.17%
69.50%	62.98%	69.16%	71.70%

Marietta City School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
*Last Eight Fiscal Years (1)**

	2022	2021	2020	2019
School District's Proportion of the Net Pension Liability	0.09216376%	0.09730607%	0.09696459%	0.09631790%
School District's Proportionate Share of the Net Pension Liability	$11,783,964	$23,544,607	$21,443,136	$21,178,145
School District's Covered Payroll	$11,306,379	$11,769,836	$11,484,807	$10,929,800
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	104.22%	200.04%	186.71%	193.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.80%	75.50%	77.40%	77.30%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2015 is not available. An additional column will be added each fiscal year.

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

See accompanying notes to the required supplementary information

2018	2017	2016	2015
0.09689448%	0.10254584%	0.10123166%	0.10286011%
$23,017,491	$34,325,183	$27,977,470	$25,019,139
$10,713,314	$10,789,793	$10,561,829	$10,509,462
214.85%	318.13%	264.89%	238.06%
75.30%	66.80%	72.10%	74.70%

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

	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.11594910%	0.11594540%	0.11861460%	0.11248560%	0.12160910%	0.11994470%
School District's Proportionate Share of the Net OPEB Liability	$2,194,431	$2,519,873	$2,982,906	$3,120,655	$3,263,668	$3,418,868
School District's Covered Payroll	$3,755,671	$3,930,264	$3,981,874	$3,745,585	$4,050,514	$3,695,764
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	58.43%	64.11%	74.91%	83.32%	80.57%	92.51%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

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

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

See accompanying notes to the required supplementary information

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

	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.09216376%	0.09730607%	0.09696459%	0.09631790%	0.09689448%	0.10254584%
School District's Proportionate Share of the Net OPEB Liability (Asset)	($1,943,196)	($1,710,152)	($1,605,967)	($1,547,731)	$3,780,465	$5,484,178
School District's Covered Payroll	$11,306,379	$11,769,836	$11,484,807	$10,929,800	$10,713,314	$10,789,793
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-17.19%	-14.53%	-13.98%	-14.16%	35.29%	50.83%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	174.70%	182.10%	174.70%	176.00%	47.10%	37.30%

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

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

See accompanying notes to the required supplementary information

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

	2022	2021	2020	2019	2018
Net Pension Liability					
Contractually Required Contribution	$528,235	$525,794	$550,237	$537,553	$505,654
Contributions in Relation to the Contractually Required Contribution	(528,235)	(525,794)	(550,237)	(537,553)	(505,654)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
School District Covered Payroll (1)	$3,773,107	$3,755,671	$3,930,264	$3,981,874	$3,745,585
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.50%	13.50%
Net OPEB Liability					
Contractually Required Contribution (2)	$68,560	$72,212	$73,106	$92,267	$79,473
Contributions in Relation to the Contractually Required Contribution	(68,560)	(72,212)	(73,106)	(92,267)	(79,473)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	1.82%	1.92%	1.86%	2.32%	2.12%
Total Contributions as a Percentage of Covered Payroll (2)	15.82%	15.92%	15.86%	15.82%	15.62%

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

See accompanying notes to the required supplementary information

2017	2016	2015	2014	2013
$567,072	$517,407	$476,692	$471,178	$414,553
(567,072)	(517,407)	(476,692)	(471,178)	(414,553)
$0	$0	$0	$0	$0
$4,050,514	$3,695,764	$3,616,783	$3,399,553	$2,995,328
14.00%	14.00%	13.18%	13.86%	13.84%
$64,754	$57,900	$89,668	$61,563	$61,945
(64,754)	(57,900)	(89,668)	(61,563)	(61,945)
$0	$0	$0	$0	$0
1.60%	1.57%	2.48%	1.81%	2.07%
15.60%	15.57%	15.66%	15.67%	15.91%

Marietta City School District, Ohio
Required Supplementary Information
Schedule of the School District's Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
Net Pension Liability					
Contractually Required Contribution	$1,176,083	$1,582,893	$1,647,777	$1,607,873	$1,530,172
Contributions in Relation to the Contractually Required Contribution	(1,176,083)	(1,582,893)	(1,647,777)	(1,607,873)	(1,530,172)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
School District Covered Payroll	$8,400,593	$11,306,379	$11,769,836	$11,484,807	$10,929,800
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability					
Contractually Required Contribution	$0	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

2017	2016	2015	2014	2013
$1,499,864	$1,510,571	$1,478,656	$1,366,230	$1,364,102
(1,499,864)	(1,510,571)	(1,478,656)	(1,366,230)	(1,364,102)
$0	$0	$0	$0	$0
$10,713,314	$10,789,793	$10,561,829	$10,509,462	$10,493,092
14.00%	14.00%	14.00%	13.00%	13.00%
$0	$0	$0	$105,095	$104,931
0	0	0	(105,095)	(104,931)
$0	$0	$0	$0	$0
0.00%	0.00%	0.00%	1.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

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

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

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

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

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

Changes in Assumptions - STRS

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

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

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

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

Net OPEB Liability

Changes in Assumptions – SERS

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

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

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

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

Changes in Assumptions – STRS

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

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

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

Changes in Benefit Terms – STRS OPEB

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

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

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

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

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

MARIETTA CITY SCHOOL DISTRICT
WASHINGOTN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/ *Pass Through Grantor /* Program Title	Grant Year	Federal AL Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through The Ohio Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	2022	10.553	$ 50,876
National School Lunch Program	2022	10.555	1,047,070
COVID-19 National School Lunch Program	2021	10.555	69,952
COVID-19 National School Lunch Program	2022	10.555	49,185
Non-Cash Assistance (Food Distribution)	2021	10.555	67,493
Total Child Nutrition Cluster			1,284,576
Total U.S. Department of Agriculture			1,284,576
U.S. DEPARTMENT OF TREASURY			
Passed Through The Ohio Department of Education:			
COVID-19 Coronavirus Relief Fund - Broadband Ohio Connectivity	2022	21.019	9,576
Total COVID-19 Coronavirus Relief Fund			9,576
Total U.S. Department of Treasury			9,576
U.S. DEPARTMENT OF EDUCATION			
Passed Through The Ohio Department of Education:			
Title I Grants to Local Educational Agencies	2021	84.010	156,235
Title I Grants to Local Educational Agencies	2022	84.010	974,598
Title I Expanding Opportunites	2022	84.010	36,630
Total Title 1 Grants			1,167,463
Special Education Cluster (IDEA):			
Special Education Grants to States	2021	84.027	44,978
Special Education Grants to States	2022	84.027	559,188
COVID-19 Special Education Grants to States	2022	84.027	8,569
Total Special Education Grants to States			612,735
Rural Education	2022	84.358	43,003
Supporting Effective Instruction State Grants	2021	84.367	21,025
Supporting Effective Instruction State Grants	2022	84.367	110,291
Total Supporting Effective Instruction State Grants			131,316
Student Support and Acadimic Enrichment Program	2022	84.424	75,308
COVID-19 Homeless Round 1	2022	84.425	74,752
COVID-19 Elementary and Secondary School Emergency Relief	2021	84.425D	2,032,386
COVID-19 Elementary and Secondary School Emergency Relief	2022	84.425U	999,666
Total COVID-19 Elementary and Secondary School Emergency Relief			3,106,804
Total – U.S. Department of Education			5,136,629
Total Federal Financial Assistance			$ 6,430,781

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

MARIETTA CITY SCHOOL DISTRICT
WASHINGTON COUNTY

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

Marietta City School District
Washington County
111 Academy Drive
Marietta, Ohio 45750

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Marietta City School District**, Washington County, (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 February 28, 2023.

Report on the 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.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

February 28, 2023

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

Marietta City School District
Washington County
111 Academy Drive
Marietta, Ohio 45750

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Marietta City School District, Washington County's** (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 each of Marietta City School District's major federal programs for the year ended June 30, 2022. Marietta City School District's major federal programs is identified in the *Summary of Auditor's Results* section of the accompanying schedule of audit findings.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 each 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 each major federal program as a whole.

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

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

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

February 28, 2023

MARIETTA CITY SCHOOL DISTRICT
WASHINGTON COUNTY, OHIO

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material control weaknesses reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material internal control weaknesses reported for major federal programs?**	No
(d)(1)(iv)	**Were there any other significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under § .510?**	No
(d)(1)(vii)	**Major Programs (list):**	AL# 84.425 AL# 84.010
(d)(1)(viii)	**Dollar Threshold: Type A/B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE
KEITH FABER

MARIETTA CITY SCHOOL DISTRICT

WASHINGTON 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 4/18/2023