



OHIO AUDITOR OF STATE  
**KEITH FABER**





**SEBRING LOCAL SCHOOL DISTRICT  
MAHONING COUNTY  
JUNE 30, 2022**

**TABLE OF CONTENTS**

TITLE	PAGE
Independent Auditor's Report .....	1
Prepared by Management:	
Management's Discussion and Analysis .....	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position .....	14
Statement of Activities.....	15
Fund Financial Statements:	
Balance Sheet	
Governmental Funds .....	16
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	17
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds .....	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	19
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual General Fund.....	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Elementary and Secondary School Emergency Relief Fund .....	21
Statement of Changes in Fiduciary Net Position – Custodial 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 (SERS) .....	62
Schedule of the School District's Proportionate Share of the Net OPEB Liability (SERS).....	64
Schedule of the School District's Proportionate Share of the Net Pension Liability (STRS).....	66
Schedule of the School District's Proportionate Share of the Net OPEB (Asset) Liability (STRS) .....	68

**SEBRING LOCAL SCHOOL DISTRICT  
MAHONING COUNTY  
JUNE 30, 2022**

**TABLE OF CONTENTS  
(Continued)**

<b>TITLE</b>	<b>PAGE</b>
Schedule of the School District's Contributions (SERS) .....	70
Schedule of the School District's Contributions (STRS) .....	72
Notes to Required Supplementary Information .....	74
Schedule of Expenditures of Federal Awards.....	79
Notes to the Schedule of Expenditures of Federal Awards .....	80
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	81
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	83
Schedule of Findings.....	87

# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Sebring Local School District  
Mahoning County  
510 North 14th Street  
Sebring, Ohio 44672

To the Board of Education:

### Report on the Audit of the Financial Statements

#### **Opinions**

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

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

#### **Basis for Opinions**

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

#### **Emphasis of Matter**

As discussed in Note 24 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. Our opinion is not modified with respect to this matter.

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

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

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

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

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information**

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

**Supplementary information**

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 3, 2023

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**Sebring Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*Unaudited*

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As management of the Sebring Local School District (the School District), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the School District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

- Net position increased in fiscal year 2022 due to increases in current and capital assets as well as changes in the net pension/OPEB asset/liabilities and their associated deferred inflows/outflows.
- Total program expenses decreased in fiscal year 2022 due to changes in the net pension/OPEB asset/liability that are the result of the School District's adjusting proportionate share of the total State-wide liabilities (asset) for both pension and OPEB retirement systems.
- The School District's major capital asset additions include the completed HVAC bipolar ionization and tile installation projects, construction in progress, hot water heater and a grinder pump.
- The School District fully repaid the 2010 Classroom Facilities Improvement Refunding Bonds during fiscal year 2022.
- The School District actively pursues grants and controls expenses while still maintaining the high academic standards the residents expect of the School District.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the School District's basic financial statements. The School District basic financial statements are comprised of three components: (1) government-wide statements, (2) fund financial statements, and (3) notes to the basic financial statements.

***Government-wide Financial Statements*** The government-wide financial statements are designed to provide the reader with a broad overview of the School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the School District's non fiduciary assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**Sebring Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*Unaudited*

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The government-wide financial statement distinguishes functions of the School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from those that are primarily supported through user charges (*business-type activities*). The School District has no business-type activities. The governmental activities of the School District include instruction, support services, extracurricular activities, operation of non-instructional services and interest and fiscal charges.

***Fund Financial Statements*** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like the State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, the Elementary and Secondary School Emergency Relief (ESSER) special revenue fund and the bond retirement debt service fund. All of the funds of the School District can be divided into two categories: governmental and fiduciary.

***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 balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual*, 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 difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

***Fiduciary Fund*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary fund are not reflected in the government-wide financial statement because the resources of these funds are not available to support the School District's own programs. These funds use the accrual basis of accounting.

***Notes to the Basic Financial Statements*** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the statements.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Table 1 provides a comparison of the School District's Net Position for 2022 compared to 2021.

**Sebring Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*Unaudited*

**(Table 1)**  
**Net Position**  
**Governmental Activities**

	2022	2021	Change
<b>Assets</b>			
Current and Other Assets	\$10,638,225	\$10,390,861	\$247,364
Net OPEB Asset	450,247	382,952	67,295
Capital Assets, Net	6,491,721	6,212,230	279,491
<i>Total Assets</i>	<u>17,580,193</u>	<u>16,986,043</u>	<u>594,150</u>
<b>Deferred Outflows of Resources</b>			
Deferred Charge on Refunding	0	2,863	(2,863)
Pension	1,383,266	1,189,018	194,248
OPEB	166,193	204,725	(38,532)
<i>Total Deferred Outflows of Resources</i>	<u>1,549,459</u>	<u>1,396,606</u>	<u>152,853</u>
<b>Liabilities</b>			
Current Liabilities	720,477	851,847	131,370
Long-Term Liabilities			
Due within One Year	179,524	314,890	135,366
Due in More than One Year			
Net Pension Liability	3,598,670	6,915,406	3,316,736
Net OPEB Liability	463,182	561,564	98,382
Other Amounts	354,525	335,813	(18,712)
<i>Total Liabilities</i>	<u>5,316,378</u>	<u>8,979,520</u>	<u>3,663,142</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	1,356,089	1,439,145	83,056
Pension	3,046,523	227,935	(2,818,588)
OPEB	863,889	809,687	(54,202)
<i>Total Deferred Inflows of Resources</i>	<u>5,266,501</u>	<u>2,476,767</u>	<u>(2,789,734)</u>
<b>Net Position</b>			
Net Investment in Capital Assets	6,420,925	6,096,008	324,917
Restricted for:			
Capital Projects	71,160	137,746	(66,586)
Debt Service	545,322	634,498	(89,176)
Other Purposes	255,828	425,463	(169,635)
Unrestricted (Deficit)	1,253,538	(367,353)	1,620,891
<i>Total Net Position</i>	<u>\$8,546,773</u>	<u>\$6,926,362</u>	<u>\$1,620,411</u>

**Sebring Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*Unaudited*

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

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

The School District continues to provide the services that the School District residents expect while maintaining the costs of providing those services. The most dramatic changes were to cash, capital assets, current liabilities and the net pension/OPEB asset/liability as noted previously. The cash increase is the result of revenue collection exceeding expenses resulting in a surplus for the year. Capital assets increased due to current year additions outpacing current year depreciation. Current liabilities decreased due to the accrued wage decreases from the timing of payroll.

Unrestricted net position may be used to meet the government’s ongoing obligations to citizens and creditors. An additional portion of the School District’s net position represents resources that are subject to external restrictions on how they may be used.

The remaining balance of net position is investment in capital assets (e.g., land, construction in progress, buildings, equipment, furniture and vehicles); less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

Table 2 shows the changes in net position for fiscal year 2022 compared to 2021.

**Sebring Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*Unaudited*

**(Table 2)**  
**Change in Net Position**  
**Governmental Activities**

	2022	2021	Change
<b>Revenues</b>			
<b>Program Revenues</b>			
Charges for Services and Sales	\$207,302	\$637,069	(\$429,767)
Operating Grants and Contributions	2,305,693	2,288,864	16,829
<i>Total Program Revenues</i>	<u>2,512,995</u>	<u>2,925,933</u>	<u>(412,938)</u>
<b>General Revenues</b>			
Property Taxes	1,455,462	1,447,766	7,696
Income Taxes	771,108	589,518	181,590
Grants and Entitlements not Restricted	4,749,114	5,488,514	(739,400)
Unrestricted Contributions	3,955	15,253	(11,298)
Investment Earnings	(87,137)	8,721	(95,858)
Miscellaneous	144,669	101,062	43,607
<i>Total General Revenues</i>	<u>7,037,171</u>	<u>7,650,834</u>	<u>(613,663)</u>
<i>Total Revenues</i>	<u>9,550,166</u>	<u>10,576,767</u>	<u>(1,026,601)</u>
<b>Program Expenses</b>			
Current:			
Instruction:			
Regular	2,379,693	4,097,610	1,717,917
Special	1,227,826	1,753,941	526,115
Student Intervention Services	0	728	728
Support Services:			
Pupils	464,138	571,148	107,010
Instructional Staff	260,765	283,982	23,217
Board of Education	20,412	14,380	(6,032)
Administration	605,137	801,781	196,644
Fiscal	305,981	319,673	13,692
Business	574	611	37
Operation and Maintenance of Plant	1,486,685	855,353	(631,332)
Pupil Transportation	162,459	157,598	(4,861)
Central	291,457	178,431	(113,026)
Extracurricular Activities	308,697	273,653	(35,044)
Operation of Non-Instructional Services:			
Food Service Operations	406,994	429,779	22,785
Other Non-Instructional Services	4,553	10,466	5,913
Interest and Fiscal Charges	4,384	3,821	(563)
<i>Total Program Expenses</i>	<u>7,929,755</u>	<u>9,752,955</u>	<u>1,823,200</u>
<i>Change in Net Position</i>	1,620,411	823,812	796,599
<i>Net Position Beginning of Year</i>	<u>6,926,362</u>	<u>6,102,550</u>	<u>823,812</u>
<i>Net Position End of Year</i>	<u>\$8,546,773</u>	<u>\$6,926,362</u>	<u>\$1,620,411</u>

**Sebring Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*Unaudited*

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**Analysis of overall financial position and results of operations**

Revenue is divided into two major components: program revenues and general revenues. Program revenues are defined as fees, restricted grants and charges for services that are program specific. General revenues include taxes and unrestricted grants such as State Foundation support.

Program revenues decreased for governmental activities in fiscal year 2022. Charges for services and sales decreased in response to the change in school funding. The School District collected less in tuition and fees related to open enrollment. Operating grants increased in fiscal year 2022, as the School District was awarded additional restricted grant monies, which were additional sources of operating revenues. General revenues decreased due to a decrease in unrestricted grants and entitlements which were offset partially by an increase in income tax revenue, as well as investment earning that had a significant decrease due to a change in economic conditions.

Program expenses decreased in fiscal year 2022 due to changes in the net pension/OPEB asset/liability. As mentioned previously, change in the net pension/OPEB asset/liability and associated deferred outflows/inflows are the result of the School District's adjusting proportionate share of the total State-wide liabilities (assets) for both pension and OPEB across retirement systems.

The largest component of the decrease in program expenses results from decreases in regular and special instruction expenses. The decreases in these expenses is primarily due to the previously mentioned decrease in the pension expense. These decreases were partially offset by an increase in base salary for both certified and classified staff. Certified staff received a two percent increase in base salary and classified staff received a \$0.35 increase in base salary.

The School District relies heavily upon property taxes, income taxes and the State School Foundation Program to support its operations. The School District also actively solicits and receives additional grant and entitlement funds to help offset operating costs. The grants and entitlements not restricted can be partially attributed to the School District actively seeking out additional sources of Federal and State funding to ensure the programs important to the community are maintained.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services for 2022 compared to 2021.

**Sebring Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*Unaudited*

**(Table 3)**  
**Total and Net Cost of Program Services**  
**Governmental Activities**

	2022		2021	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$3,607,519	\$2,625,885	\$5,852,279	\$4,363,147
Support Services:				
Pupils and Instructional Staff	724,903	498,278	855,130	184,331
Board of Education, Administration Fiscal and Business	932,104	925,828	1,136,445	1,123,601
Operation and Maintenance of Plant	1,486,685	886,083	855,353	704,235
Pupil Transportation	162,459	148,247	157,598	141,311
Central	291,457	211,910	178,431	83,357
Extracurricular Activities	308,697	254,562	273,653	226,921
Operation of Non-Instructional Services:				
Food Service Operations	406,994	(138,676)	429,779	(4,482)
Other Non-Instructional Services	4,553	259	10,466	780
Interest and Fiscal Charges	4,384	4,384	3,821	3,821
<i>Total Expenses</i>	<u>\$7,929,755</u>	<u>\$5,416,760</u>	<u>\$9,752,955</u>	<u>\$6,827,022</u>

The dependence upon general revenues for governmental activities is apparent as they account for a majority of the total cost of services in fiscal year 2022. The community, as a whole, is by far the primary support for the School District.

**Financial Analysis of the Government's Funds**

**Governmental Fund** Information about the School District's major funds begins with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. The general fund had an increase in fund balance. Revenue collections exceeded expenditures resulting in the increase to the fund balance. The increase in revenue resulted from an increase in income tax collections and miscellaneous receipts. The decrease in expenditures was mainly attributed to the decrease in regular and special instruction for fiscal year 2022. The ESSER fund balance decreased from the prior fiscal year due to the timing of grant receipts. The bond retirement fund balance decreased from the prior fiscal year due to debt obligations exceeding property tax collections in fiscal year 2022.

**General Fund Budgeting Highlights**

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

During the course of fiscal year 2022 the School District amended its general fund budget numerous times. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, the final budget basis revenue estimate was slightly lower than the original budget estimate. The difference can be attributed to the administration making adjustments for currently known information. Actual revenue was lower than final budget basis revenue predominantly due to less tuition and fees due to changes in school funding and less miscellaneous receipts collected than what was originally anticipated. The final budget appropriations were lower than the original budget appropriations of the general

**Sebring Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*Unaudited*

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fund. Actual expenditures and other financing uses were lower than final budget appropriations due to the School District keeping spending in control while ensuring the programs important to the community are maintained.

**Capital Assets and Long-term Liabilities**

***Capital Assets***

For fiscal year 2022, the increase in capital assets was due to current year additions exceeding depreciation for the fiscal year. Capital asset additions included the completed HVAC bipolar ionization and tile installation projects, construction in progress, roof project, hot water heater, grinder pump and various other additions. Please refer to Note 9 within the Notes to the Basic Financial Statements for further information on capital assets.

***Debt***

On April 21, 2010, the School District issued Classroom Facilities Improvement Advance Refunding Bonds in the amount of \$999,999 (par value) with interest rates ranging from 2.0 percent to 4.2 percent to advance refund \$1,150,000 of the 1999 Classroom Facilities Improvement Bonds with rates ranging from 4.0 percent to 6.125 percent. The refunding bonds were issued at a premium of \$113,565 and, after paying issuance costs of \$33,985, the net proceeds were \$1,229,579. The net proceeds from the issuance of the bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds were called on 12/1/2010. The advance refunding met the requirements of a legal debt defeasance and all of the 1999 Classroom Facilities Improvement Bonds were removed from the School District's government-wide financial statements. These bonds were fully repaid during fiscal year 2022. The School District has a new financed purchase specific to the School District wide copiers in fiscal year 2022.

As of June 30, 2022, the School District's legal debt margin was \$4,752,780 with an unvoted debt margin of \$52,809. Please refer to Note 10 within the Notes to the Basic Financial Statements for further information on debt.

**Current Financial Related Activities**

The School District's fiscal health depends on an efficient budgeting process and the utilization of programs that reduce costs, such as consortiums, and diligent cost analysis.

Although House Bill 66, as amended by House Bill 153, reimbursed the School District on the loss of personal property tax revenue, the potential growth in this tax revenue is non-existent. House Bill 66, as amended by House Bill 153, greatly reduced and eventually eliminated personal property tax and by 2018, the annual revenue stream from personal property taxes was eliminated from the revenue sources of the School District. The reimbursement for personal property tax stopped in fiscal year 2016. The State of Ohio declared that the commercial activity tax was allocated to school districts at 35 percent starting in fiscal year 2013. Previously, the CAT tax was funding the hold-harmless reimbursement payments at 70 percent.

School funding was restructured via the Fair School Funding Plan; however, it is not fully funded and its future is unknown after the current biennium. Hence, the future of the school funding remains uncertain.



**Sebring Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*Unaudited*

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The School District receives approximately 74 percent of its revenue from the State of Ohio and is therefore at the State's mercy regarding funding. State revenues have kept pace with inflation to date, but the future of State revenue increases is uncertain.

The District passed a 1 percent income tax levy on the November 2006 ballot to help stabilize its financial condition. This levy has been effective in bringing financial stability that could last well into the future. This levy was renewed by voters on the November 2016 ballot and again on the May 2021 ballot.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer at Sebring Local School District, 510 North 14<sup>th</sup> Street, Sebring, Ohio 44672.

**Sebring Local School District**

*Statement of Net Position*

*June 30, 2022*

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$8,159,778
Accrued Interest Receivable	3,285
Accounts Receivable	29,470
Intergovernmental Receivable	464,582
Inventory Held for Resale	9,490
Materials and Supplies Inventory	1,877
Prepaid Items	3,940
Property Taxes Receivable	1,669,146
Income Taxes Receivable	296,657
Net OPEB Asset (See Note 18)	450,247
Nondepreciable Capital Assets	286,940
Depreciable Capital Assets, Net	6,204,781
<i>Total Assets</i>	<u>17,580,193</u>
<b>Deferred Outflows of Resources</b>	
Pension	1,383,266
OPEB	166,193
<i>Total Assets</i>	<u>1,549,459</u>
<b>Liabilities</b>	
Accounts Payable	91,249
Accrued Wages and Benefits	456,590
Contracts Payable	45,839
Intergovernmental Payable	122,244
Unearned Revenue	4,555
Long-Term Liabilities:	
Due Within One Year	179,524
Due in More Than One Year	
Net Pension Liability (See Note 17)	3,598,670
Net OPEB Liability (See Note 18)	463,182
Other Amounts	354,525
<i>Total Liabilities</i>	<u>5,316,378</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes	1,356,089
Pension	3,046,523
OPEB	863,889
<i>Total Deferred Inflows of Resources</i>	<u>5,266,501</u>
<b>Net Position</b>	
Net Investment in Capital Assets	6,420,925
Restricted for:	
Capital Projects	71,160
Debt Service	545,322
Other Purposes	255,828
Unrestricted	1,253,538
<i>Total Net Position</i>	<u><u>\$8,546,773</u></u>

See accompanying notes to the basic financial statements

**Sebring Local School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2022

	Program Revenues		Net Revenue/(Expense) and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Instruction:				
Regular	\$2,379,693	\$50,380	\$231,646	(\$2,097,667)
Special	1,227,826	25,954	673,654	(528,218)
Support Services:				
Pupils	464,138	0	59,814	(404,324)
Instructional Staff	260,765	514	166,297	(93,954)
Board of Education	20,412	0	0	(20,412)
Administration	605,137	1,088	5,188	(598,861)
Fiscal	305,981	0	0	(305,981)
Business	574	0	0	(574)
Operation and Maintenance				
of Plant	1,486,685	0	600,602	(886,083)
Pupil Transportation	162,459	0	14,212	(148,247)
Central	291,457	68,403	11,144	(211,910)
Extracurricular Activities	308,697	51,175	2,960	(254,562)
Operation of Non-Instructional Services:				
Operation of Food Service	406,994	9,788	535,882	138,676
Other Non-Instructional Services	4,553	0	4,294	(259)
Interest and Fiscal Charges	4,384	0	0	(4,384)
<b>Totals</b>	<b>\$7,929,755</b>	<b>\$207,302</b>	<b>\$2,305,693</b>	<b>(5,416,760)</b>

**General Revenues**

Property Taxes Levied for:

General Purposes	1,332,000
Debt Service	21,564
Capital Outlay	97,605
Other Purposes	4,293

Income Taxes Levied for:

General Purposes	771,108
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Grants and Entitlements not Restricted

to Specific Programs	4,749,114
Unrestricted Contributions	3,955
Investment Earnings	(87,137)
Miscellaneous	144,669

*Total General Revenues* 7,037,171

Change in Net Position 1,620,411

*Net Position Beginning of Year* 6,926,362

*Net Position End of Year* \$8,546,773

See accompanying notes to the basic financial statements

**Sebring Local School District**

*Balance Sheet*

*Governmental Funds*

*June 30, 2022*

	General	Elementary and Secondary School Emergency Relief	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$7,250,836	\$3,417	\$545,322	\$360,203	\$8,159,778
Accrued Interest Receivable	3,285	0	0	0	3,285
Accounts Receivable	643	0	0	28,827	29,470
Intergovernmental Receivable	86,184	363,658	0	14,740	464,582
Prepaid Items	3,940	0	0	0	3,940
Interfund Receivable	364,974	0	0	0	364,974
Inventory Held for Resale	0	0	0	9,490	9,490
Materials and Supplies Inventory	0	0	0	1,877	1,877
Property Taxes Receivable	1,553,747	0	0	115,399	1,669,146
Income Taxes Receivable	296,657	0	0	0	296,657
<i>Total Assets</i>	<u>\$9,560,266</u>	<u>\$367,075</u>	<u>\$545,322</u>	<u>\$530,536</u>	<u>\$11,003,199</u>
<b>Liabilities</b>					
Accounts Payable	\$32,291	\$0	\$0	\$58,958	\$91,249
Accrued Wages and Benefits	397,134	23,477	0	35,979	456,590
Contracts Payable	45,839	0	0	0	45,839
Intergovernmental Payable	114,568	2,894	0	4,782	122,244
Interfund Payable	0	340,704	0	24,270	364,974
Unearned Revenue	0	0	0	4,555	4,555
<i>Total Liabilities</i>	<u>589,832</u>	<u>367,075</u>	<u>0</u>	<u>128,544</u>	<u>1,085,451</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes	1,263,745	0	0	92,344	1,356,089
Unavailable Revenue	399,962	317,575	0	21,847	739,384
<i>Total Deferred Inflows of Resources</i>	<u>1,663,707</u>	<u>317,575</u>	<u>0</u>	<u>114,191</u>	<u>2,095,473</u>
<b>Fund Balances</b>					
Nonspendable	3,940	0	0	1,877	5,817
Restricted	0	0	545,322	303,264	848,586
Assigned	23,802	0	0	0	23,802
Unassigned (Deficit)	7,278,985	(317,575)	0	(17,340)	6,944,070
<i>Total Fund Balances (Deficit)</i>	<u>7,306,727</u>	<u>(317,575)</u>	<u>545,322</u>	<u>287,801</u>	<u>7,822,275</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$9,560,266</u>	<u>\$367,075</u>	<u>\$545,322</u>	<u>\$530,536</u>	<u>\$11,003,199</u>

See accompanying notes to the basic financial statements

**Sebring Local School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2022*

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<b>Total Governmental Funds Balances</b>	<b>\$7,822,275</b>
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*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.	6,491,721
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Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable revenue in the funds:	
Delinquent Property Taxes	273,610
Income Tax	45,366
Intergovernmental	381,491
Tuition and Fees	38,917
Total	739,384

The net pension liability and net OPEB liability (asset) are not due and payable in the current period; therefore, the liability (asset) and related deferred inflows/outflows are not reported in governmental funds:	
Net OPEB Asset	450,247
Deferred Outflows - Pension	1,383,266
Deferred Outflows - OPEB	166,193
Net Pension Liability	(3,598,670)
Net OPEB Liability	(463,182)
Deferred Inflows - Pension	(3,046,523)
Deferred Inflows - OPEB	(863,889)
Total	(5,972,558)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Financed Purchase	(27,886)
Compensated Absences	(506,163)
Total	(534,049)

<i>Net Position of Governmental Activities</i>	<b><u><u>\$8,546,773</u></u></b>
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See accompanying notes to the basic financial statements

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

	General	Elementary and Secondary School Emergency Relief	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$1,303,422	\$0	\$47,481	\$103,678	\$1,454,581
Income Taxes	767,830	0	0	0	767,830
Intergovernmental	5,264,313	639,572	7,201	1,219,343	7,130,429
Interest	(87,137)	0	0	0	(87,137)
Charges for Services	68,403	0	0	12,841	81,244
Tuition and Fees	69,075	0	0	0	69,075
Extracurricular Activities	1,602	0	0	48,122	49,724
Contributions and Donations	3,955	0	0	2,960	6,915
Miscellaneous	62,740	52,335	0	29,594	144,669
<i>Total Revenues</i>	<u>7,454,203</u>	<u>691,907</u>	<u>54,682</u>	<u>1,416,538</u>	<u>9,617,330</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	2,444,707	247,470	0	2,483	2,694,660
Special	1,198,445	6,273	0	234,451	1,439,169
Support Services:					
Pupils	326,629	1,638	0	151,652	479,919
Instructional Staff	42,087	17,750	0	206,175	266,012
Board of Education	23,147	0	0	0	23,147
Administration	689,616	0	0	11,464	701,080
Fiscal	339,421	0	929	3,046	343,396
Business	574	0	0	0	574
Operation and Maintenance of Plant	973,013	632,959	0	235,300	1,841,272
Pupil Transportation	140,734	0	0	0	140,734
Central	229,857	8,000	0	53,600	291,457
Extracurricular Activities	250,939	0	0	91,574	342,513
Operation of Non-Instructional Services:					
Operation of Food Service	0	0	0	427,170	427,170
Other Non-Instructional Services	0	4,553	0	0	4,553
Debt Service:					
Principal Retirement	8,370	0	115,000	0	123,370
Interest and Fiscal Charges	3,594	0	2,415	0	6,009
<i>Total Expenditures</i>	<u>6,671,133</u>	<u>918,643</u>	<u>118,344</u>	<u>1,416,915</u>	<u>9,125,035</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>783,070</u>	<u>(226,736)</u>	<u>(63,662)</u>	<u>(377)</u>	<u>492,295</u>
<b>Other Financing Sources (Uses)</b>					
Inception of Financed Purchases	36,256	0	0	0	36,256
Transfers In	0	0	0	26,896	26,896
Transfers Out	(8,258)	0	0	(18,638)	(26,896)
<i>Total Other Financing Sources (Uses)</i>	<u>27,998</u>	<u>0</u>	<u>0</u>	<u>8,258</u>	<u>36,256</u>
<i>Net Change in Fund Balances</i>	811,068	(226,736)	(63,662)	7,881	528,551
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>6,495,659</u>	<u>(90,839)</u>	<u>608,984</u>	<u>279,920</u>	<u>7,293,724</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$7,306,727</u></u>	<u><u>(\$317,575)</u></u>	<u><u>\$545,322</u></u>	<u><u>\$287,801</u></u>	<u><u>\$7,822,275</u></u>

See accompanying notes to the basic financial statements

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

<b>Net Change in Fund Balances -Total Governmental Funds</b>	<b>\$528,551</b>
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
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 outlay exceeded depreciation in the current period:	
Capital Asset Additions	692,733
Current Year Depreciation	<u>(413,242)</u>
Total	279,491
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Delinquent Property Taxes	(20,966)
Income Tax	3,278
Intergovernmental	(56,735)
Tuition and Fees	<u>7,259</u>
Total	(67,164)
Repayment of bond principal and financed purchases payments are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
	123,370
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued Interest	403
Amortization of Bond Premiums	4,085
Amortization of Deferred Charge on Refunding	<u>(2,863)</u>
Total	1,625
Other financing sources in the governmental funds, such as inception of finance purchase, increase long-term liabilities in the statement of net position.	
	(36,256)
Contractual required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:	
Pension	504,368
OPEB	<u>15,810</u>
Total	520,178
Except for amounts reported as deferred inflows/outflows, changes in net pension/OPEB liability (asset) are reported as pension/OPEB expense in the statement of activities:	
Pension	188,028
OPEB	<u>57,133</u>
Total	245,161
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
	<u>25,455</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$1,620,411</u></u>

See accompanying notes to the basic financial statements

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

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$1,229,507	\$1,229,507	\$1,311,083	\$81,576
Income Taxes	538,862	538,862	708,139	169,277
Intergovernmental	5,597,283	5,597,283	5,259,490	(337,793)
Interest	10,526	10,526	19,309	8,783
Charges for Services	76,613	76,496	68,403	(8,093)
Tuition and Fees	507,965	507,965	69,075	(438,890)
Contributions and Donations	100	100	0	(100)
Miscellaneous	549,495	549,495	60,503	(488,992)
<i>Total Revenues</i>	8,510,351	8,510,234	7,496,002	(1,014,232)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	3,621,630	2,570,633	2,514,192	56,441
Special	1,206,345	1,242,060	1,169,789	72,271
Support Services:				
Pupils	287,944	333,287	333,287	0
Instructional Staff	24,107	58,857	40,107	18,750
Board of Education	17,393	23,053	23,053	0
Administration	718,947	798,832	707,328	91,504
Fiscal	310,772	356,822	340,879	15,943
Business	582	582	574	8
Operation and Maintenance of Plant	760,314	1,151,774	964,748	187,026
Pupil Transportation	210,366	246,206	144,396	101,810
Central	109,845	230,149	230,149	0
Extracurricular Activities	170,287	274,487	250,389	24,098
<i>Total Expenditures</i>	7,438,532	7,286,742	6,718,891	567,851
<i>Excess of Revenues Over (Under) Expenditures</i>	1,071,819	1,223,492	777,111	(446,381)
<b>Other Financing Sources (Uses)</b>				
Advances In	67,440	67,440	807,646	740,206
Advances Out	(93,731)	(339,701)	(1,127,178)	(787,477)
Transfers Out	(108,244)	(118,244)	(8,258)	109,986
<i>Total Other Financing Sources (Uses)</i>	(134,535)	(390,505)	(327,790)	62,715
<i>Net Change in Fund Balance</i>	937,284	832,987	449,321	(383,666)
<i>Fund Balance Beginning of Year</i>	6,874,531	6,874,531	6,874,531	0
Prior Year Encumbrances Appropriated	12,913	12,913	12,913	0
<i>Fund Balance End of Year</i>	\$7,824,728	\$7,720,431	\$7,336,765	(\$383,666)

See accompanying notes to the basic financial statements



**Sebring Local School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Elementary and Secondary School Emergency Relief Fund*  
*For the Fiscal Year Ended June 30, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$158,966	\$519,037	\$598,851	\$79,814
Miscellaneous	0	0	52,335	52,335
<i>Total Revenues</i>	<u>158,966</u>	<u>519,037</u>	<u>651,186</u>	<u>132,149</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	26,210	277,489	277,489	0
Special	274	8,536	8,536	0
Support Services:				
Pupils	110,917	99,966	1,638	98,328
Instructional Staff	29,577	136,097	17,750	118,347
Operation and Maintenance of Plant	161,396	1,034,834	837,821	197,013
Central	0	8,000	8,000	0
Operation of Non-Instructional Services	548	5,000	4,553	447
<i>Total Expenditures</i>	<u>328,922</u>	<u>1,569,922</u>	<u>1,155,787</u>	<u>414,135</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(169,956)</u>	<u>(1,050,885)</u>	<u>(504,601)</u>	<u>546,284</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	0	1,106,885	777,416	(329,469)
Advances Out	0	(36,000)	(452,630)	(416,630)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>1,070,885</u>	<u>324,786</u>	<u>(746,099)</u>
<i>Net Change in Fund Balance</i>	(169,956)	20,000	(179,815)	(199,815)
<i>Fund Deficit Beginning of Year</i>	(175,922)	(175,922)	(175,922)	0
Prior Year Encumbrances Appropriated	<u>175,922</u>	<u>175,922</u>	<u>175,922</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$169,956)</u>	<u>\$20,000</u>	<u>(\$179,815)</u>	<u>(\$199,815)</u>

See accompanying notes to the basic financial statements

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

	Custodial
<b>Additions</b>	\$0
<b>Deductions</b>	
Distributions to Other Organizations	78
<i>Net Decrease in Fiduciary Net Position</i>	(78)
<i>Net Position Beginning of Year</i>	78
<i>Net Position End of Year</i>	\$0

See accompanying notes to the basic financial statements

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

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

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

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by State and federal agencies. The Board of Education controls the School District's two instructional/support facilities staffed by 38 certified employees, 27 classified employees and 4 administrators who provide services to 350 students and other community members.

*Reporting Entity*

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

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

The School District is associated with two jointly governed organizations and two risk sharing pools. These organizations are the Area Cooperative Computerized Education Service System, the Mahoning County Career and Technical Center, Ohio Association of School Business Officials Workers' Compensation Group Rating Program and the Portage Area Schools Consortium. These organizations are presented in Notes 13 and 15 of the basic financial statements.

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

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

*Basis of Presentation*

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

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

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

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

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

***Fund Accounting***

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. In reporting its financial activities, the School District uses two categories of funds: governmental and fiduciary.

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

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

***Elementary and Secondary School Emergency Relief (ESSER) Fund*** The ESSER special revenue fund is used to account for and report restricted emergency COVID-19 pandemic relief grants to school districts for the coordination of preparedness and response efforts, training and professional development of staff, planning and coordination during long-term closure, and purchasing technology for students.

***Bond Retirement Fund*** The bond retirement fund is used to account for and report tax levies that are restricted for the repayment of general obligation bonds of the School District.

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

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

***Fiduciary Funds*** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into 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 arrangement 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's only custodial fund accounts for monies received for athletic tournaments held on behalf of the Ohio High School Athletic Association.

***Measurement Focus***

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

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

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

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

***Basis of Accounting***

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

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the 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, interest, tuition, grants, and fees.

**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 the deferred charges on refundings, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 17 and 18.

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 as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB plans and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, income taxes, intergovernmental grants and tuition and fees revenues. 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 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 17 and 18.)

**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.

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

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***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.

***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's investments were limited to commercial paper, STAR Ohio, money market accounts, negotiable certificates of deposit, US treasury notes, federal farm credit banks bonds and federal home loan mortgage corporation bank bonds.

Investments, except for commercial paper and STAR ohio, are reported at fair value which is based on quoted market prices, with the exception of certificates of deposit, which are reported at cost. The School District's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

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, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$100 million or more is encouraged. STAR Ohio reserves the right to limit the transactions 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.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices.

Investments are reported at fair value which is based on quoted market prices. The fair value of investments related declined during fiscal year 2022 resulting in negative investment earnings of \$109,731.

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 (\$87,137), (\$9,706) of which was assigned from other School District funds.

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

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

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***Inventory***

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

***Capital Assets***

The School District's only capital assets are general capital assets. 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 are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of 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 capitalized.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land Improvements	10 - 20 years
Building and Improvements	10 - 50 years
Furniture, Fixtures and Equipment	5 - 10 years
Vehicles	5 - 10 years
Library Books	10 years

***Compensated Absences***

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

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

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



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

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***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, and are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability (asset) should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Bonds and financed purchases are recognized as a liability on the governmental fund financial statements when due.

***Internal Activity***

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

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

***Interfund Balances***

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." Interfund balances are eliminated in the statement of net position.

***Fund Balance***

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

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

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

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**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. These amounts are assigned by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education or a School District official delegated that authority by resolution or State statute. State statute authorizes the Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Board of Education assigned fund balances for school support.

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

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

***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 by recording a current asset for the prepaid amount and reflecting the expense/expenditure in the year in which services are consumed.

***Net Position***

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for auxiliary services and extracurricular activities.

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

***Estimates***

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

***Budgetary Data***

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

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

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

The appropriation resolution is subject to amendment by the Board throughout the 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 – 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 resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Elementary and Secondary School Emergency Relief	Bond Retirement	Other Governmental Funds	Total
<b><i>Nonspendable</i></b>					
Prepaid Items	\$3,940	\$0	\$0	\$0	\$3,940
Materials and Supplies	0	0	0	1,877	1,877
<b><i>Total Nonspendable</i></b>	<b>3,940</b>	<b>0</b>	<b>0</b>	<b>1,877</b>	<b>5,817</b>
<b><i>Restricted for</i></b>					
Food Service Operations	0	0	0	209,935	209,935
Instructional Services	0	0	0	3,020	3,020
Classroom Facilities Maintenance	0	0	0	27,780	27,780
Extracurricular Activities	0	0	0	13,216	13,216
Debt Service Payments	0	0	545,322	0	545,322
Capital Improvements	0	0	0	49,313	49,313
<b><i>Total Restricted</i></b>	<b>0</b>	<b>0</b>	<b>545,322</b>	<b>303,264</b>	<b>848,586</b>
<b><i>Assigned to</i></b>					
Public School Support	23,510	0	0	0	23,510
Purchases on Order					
Support Services	292	0	0	0	292
<b><i>Total Assigned</i></b>	<b>23,802</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,802</b>
<b><i>Unassigned (Deficit)</i></b>	<b>7,278,985</b>	<b>(317,575)</b>	<b>0</b>	<b>(17,340)</b>	<b>6,944,070</b>
<b><i>Total Fund Balances (Deficit)</i></b>	<b>\$7,306,727</b>	<b>(\$317,575)</b>	<b>\$545,322</b>	<b>\$287,801</b>	<b>\$7,822,275</b>

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

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**Note 4 – Accountability and Compliance**

***Compliance***

The Elementary and Secondary School Emergency Relief fund had original appropriations in excess of original estimated resources plus carryover balances in the amount of \$169,956 on the Official Certificate of Estimated Resources at June 30, 2022.

***Accountability***

Fund balances at June 30, 2022 included the following individual fund deficits.

***Major Fund:***

Elementary and Secondary School Emergency Relief	\$317,575
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***Special Revenue Funds:***

Scholarship	14,226
Athletics	2,774
Miscellaneous Federal Grants	340

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

**Note 5 - Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual for the general fund and elementary and secondary school emergency relief 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 basis are that:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).
4. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Budgetary revenues and expenditures of the public school support are classified to general fund for GAAP reporting.

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements on a fund type basis for the general fund and the elementary and secondary school emergency relief major special revenue fund:

	Net Change in Fund Balance	
	General	Elementary and Secondary School Emergency Relief
GAAP Basis	\$811,068	(\$226,736)
Net Adjustment for Revenue Accruals	(96,013)	(40,721)
Advances In	807,646	777,416
Ending Fair Value Adjustment for Investments	109,731	0
Perspective Difference:		
Public School Support	1,425	0
Net Adjustment for Expenditure Accruals	(57,066)	(53,912)
Advances Out	(1,127,178)	(452,630)
Encumbrances	(292)	(183,232)
Budget Basis	\$449,321	(\$179,815)

**Note 6 - Deposits and Investments**

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

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

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

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

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

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

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

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

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.

**Credit Risk** 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 addresses credit risk.

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

**Investments**

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

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percentage of Total Investments
Amortized Cost				
Commercial Paper	\$510,467	Less than one year	A-1	8.52%
Net Asset Value (NAV) per share:				
STAR Ohio	3,094,411	Average 35.3 Days	AAAm	N/A
Fair Value - Level One Inputs:				
Money Market Accounts	52,427	Less than one year	N/A	N/A
Fair Value - Level Two Inputs:				
Negotiable Certificates of Deposit	1,802,982	Less than two years	N/A	30.10%
US Treasury Notes	288,891	Less than two years	AA+	N/A
Federal Farm Credit Notes	51,604	Less than three year	AA+	N/A
Federal Home Loan Mortgage Corporation Notes	<u>188,910</u>	Less than three years	AAA	N/A
Total	<u>\$5,989,692</u>			

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2022. STAR Ohio funds are measured at net asset value per share. Commercial paper is measured at amortized cost. The treasury obligations money market is measured at fair value and is valued using quoted market prices (Level 1 inputs). The School District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs)

**Note 7 – Property Taxes**

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenues received in calendar year 2022 represent the collection of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed values 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 semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

Public utility property tax revenues received in calendar year 2022 represent the collection of calendar year 2021 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien on 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 is currently assessed at varying percentages of true value.

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

Accrued property taxes receivable includes real property and public utility property taxes which 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 were levied to finance current fiscal year operations are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The amount available as an advance at June 30, 2022, was \$16,392 in the general fund and \$1,208 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2021, was \$24,053 in the general fund, \$2,092 in the bond retirement debt service fund, \$1,776 in the permanent improvement capital projects fund and \$379 in the classroom facilities maintenance special revenue fund.

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

	2021 Second Half Collections		2022 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$48,630,530	92.99 %	\$48,929,950	92.66 %
Public Utility Personal	3,668,770	7.01	3,878,720	7.34
Total	\$52,299,300	100.00 %	\$52,808,670	100.00 %
Full Tax Rate per \$1,000 of assessed valuation	\$57.50		\$54.70	

**Note 8 – School District Income Tax**

The voters of the School District passed a 1 percent, five-year School District income tax in the November 2006 election that became effective January 1, 2007. The income tax was renewed for five-years beginning May 1, 2021. The School District income tax revenue received by the general fund during fiscal year 2022 was \$767,830.



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

**Note 9 – Capital Assets**

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

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
<b>Nondepreciable Capital Assets</b>				
Land	\$219,600	\$0	\$0	\$219,600
Construction in Progress	171,035	222,572	(326,267)	67,340
<i>Total Nondepreciable Capital Assets</i>	<u>390,635</u>	<u>222,572</u>	<u>(326,267)</u>	<u>286,940</u>
<b>Depreciable Capital Assets</b>				
Land Improvements	1,564,012	0	0	1,564,012
Buildings and Improvements	16,546,631	760,172	0	17,306,803
Furniture, Fixtures and Equipment	1,187,545	36,256	0	1,223,801
Vehicles	471,773	0	0	471,773
Library Books	200,764	0	0	200,764
<i>Total at Historical Cost</i>	<u>19,970,725</u>	<u>796,428</u>	<u>0</u>	<u>20,767,153</u>
<b>Less: Accumulated Depreciation</b>				
Land Improvements	(1,186,595)	(2,641)	0	(1,189,236)
Buildings and Improvements	(11,482,592)	(336,830)	0	(11,819,422)
Furniture, Fixtures and Equipment	(1,057,968)	(34,523)	0	(1,092,491)
Vehicles	(221,211)	(39,248)	0	(260,459)
Library Books	(200,764)	0	0	(200,764)
<i>Total Accumulated Depreciation</i>	<u>(14,149,130)</u>	<u>(413,242) *</u>	<u>0</u>	<u>(14,562,372)</u>
<i>Depreciable Capital Assets, Net of Accumulated Depreciation</i>	<u>5,821,595</u>	<u>383,186</u>	<u>0</u>	<u>6,204,781</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$6,212,230</u>	<u>\$605,758</u>	<u>(\$326,267)</u>	<u>\$6,491,721</u>

\* Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$339,965
Special	3,924
Support Services	
Pupils	248
Instructional Staff	880
Administration	6,069
Operation and Maintenance of Plant	24,478
Pupil Transportation	35,494
Operation of Food Service	1,567
Extracurricular Activities	617
Total Depreciation Expense	<u>\$413,242</u>

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

**Note 10 – Long-Term Obligations**

Original issue amounts and interest rates of the School District’s debt issues were as follows:

Debt Issue	Interest Rate	Original Issue	Year of Maturity
Series 2010 Classroom Facilities Improvement: Advanced Refunding Bonds	2.0 to 4.2%	\$999,999	2021
Financed Purchase: Copeco Copiers	7.83%	\$36,256	2026

Changes in long-term obligations of the School District during fiscal year 2022 were as follows:

	Principal Outstanding June 30, 2021	Additions	Deductions	Principal Outstanding June 30, 2022	Amount Due in One Year
<b>General Obligation Debt</b>					
2010 Classroom Facilities Improvement					
Advanced Refunding Bonds					
Current Interest Term Bonds	\$115,000	\$0	(\$115,000)	\$0	\$0
Unamortized Premium	4,085	0	(4,085)	0	0
<i>Total General Obligation Debt</i>	<u>119,085</u>	<u>0</u>	<u>(119,085)</u>	<u>0</u>	<u>0</u>
<b>Other Long-term Obligations</b>					
Net Pension Liability:					
STRS	5,272,317	0	(2,541,916)	2,730,401	0
SERS	1,643,089	0	(774,820)	868,269	0
<i>Total Net Pension Liability</i>	6,915,406	0	(3,316,736)	3,598,670	0
Net OPEB Liability:					
SERS	561,564	0	(98,382)	463,182	0
Financed Purchase - from Direct Borrowings	0	36,256	(8,370)	27,886	6,491
Compensated Absences	531,618	174,435	(199,890)	506,163	173,033
<i>Total Other Long-term Obligations</i>	<u>8,008,588</u>	<u>210,691</u>	<u>(3,623,378)</u>	<u>4,595,901</u>	<u>179,524</u>
<i>Total Long-Term Liabilities</i>	<u>\$8,127,673</u>	<u>\$210,691</u>	<u>(\$3,742,463)</u>	<u>\$4,595,901</u>	<u>\$179,524</u>

The 2010 Classroom Facilities Improvement bonds were paid from the bond retirement fund. Compensated absences will be paid from the general fund and the food service special revenue funds. There are no repayment schedules for the net pension/OPEB liabilities. However, employer pension/OPEB contributions are made from the following funds: the general fund and the food service, ESSER, title VI-B and title I special revenue funds. See Notes 17 and 18 for additional information related to the net pension/OPEB liabilities.

**Financed Purchase** – During 2022, the School District entered into financed purchase agreements for School District wide copiers in the amounts of \$36,256 to be paid from the general fund.

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

On April 21, 2010, the School District issued Classroom Facilities Improvement Advance Refunding Bonds in the amount of \$999,999 (par value) with interest rates ranging from 2.0 percent to 4.2 percent to advance refund \$1,150,000 of the 1999 Classroom Facilities Improvement Bonds with rates ranging from 4.0 percent to 6.125 percent. The refunding bonds were issued at a premium of \$113,565 and, after paying issuance costs of \$33,985, the net proceeds were \$1,229,579. The net proceeds from the issuance of the bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds were called on 12/1/2010. The advance refunding met the requirements of a legal debt defeasance and all of the 1999 Classroom Facilities Improvement Bonds were removed from the School District's government-wide financial statements. These bonds were fully repaid during fiscal year 2022.

As a result of the advance refunding, the School District reduced its total debt service requirements by \$304,685, which resulted in an economic gain (difference between the present value of debt service payments on the old and new debt) of \$237,132.

The overall debt margin of the School District as of June 30, 2022, was \$4,752,780 with an unvoted debt margin of \$52,809. Principal and interest requirements to retire financed purchases outstanding at June 30, 2022, are as follows:

Fiscal Year Ending June 30	<i>From Direct Borrowings</i>		
	Financed Purchase		
	Principal	Interest	Total
2023	\$6,491	\$1,954	\$8,445
2024	7,017	1,427	8,444
2025	7,587	858	8,445
2026	6,791	246	7,037
Total	\$27,886	\$4,485	\$32,371

**Note 11 - Receivables**

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

A summary of the principal items of intergovernmental receivables follows:

Intergovernmental Receivables	Amounts
ESSER Grant	\$363,658
SERS Refund	42,069
Foundation Adjustments	39,570
Title VI-B Grant	9,345
Title I Grant	4,738
Medicaid Reimbursement	4,545
Reducing Class Size Grant	657
Total	\$464,582

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

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## **Note 12 - Contingencies**

### ***Grants***

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

### ***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. The final adjustment was not material and is not reflected in the accompanying financial statements.

### ***Litigation***

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

## **Note 13 - Jointly Governed Organizations**

***Area Cooperative Computerized Education Service System (ACCESS)*** The Area Cooperative Computerized Educational Service System (ACCESS) is a jointly governed organization among 26 school districts and 2 educational service centers. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among the member districts. Each of the governments of these schools supports ACCESS based upon a per pupil charge based upon a per pupil charge before any e-rate credits. Sebring Local School District paid \$1,338 monthly to ACCESS during fiscal year 2022. ACCESS is governed by an assembly consisting of the superintendents or other designees of the member school districts. The assembly exercises total control over the operation of ACCESS including budgeting, appropriating, contracting and designating management. The degree of control exercised by any participating school district is limited to its representation on the Board. All of ACCESS revenues are generated from charges for services and State funding. Financial information can be obtained by contacting the Treasurer at the Mahoning County Educational Service Center, who services as fiscal agent, at 493 Bev Road, Unit 1, Boardman, Ohio 44512.

### ***Mahoning County Career and Technical Center***

The Mahoning County Career and Technical Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of representatives from the participating school districts' elected boards, which possesses its own budgeting and taxing authority. The degree of control exercised by any participating school district is limited to its representation on the Board. The School District did not contribute any amounts to the Mahoning County Career and Technical Center during fiscal year 2022. To obtain financial information, write to the Treasurer of the Career and Technical Center at 7300 North Palmyra Road, Canfield, Ohio 44406.

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

**Note 14 - Risk Management**

***Property and Liability***

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2022, the School District contracted with Liberty Mutual for the following insurance coverage:

Type of Coverage	Coverage Amount
Building and Contents - Replacement Cost (\$5,000 deductible)	\$44,222,470
Boiler and Machinery (\$500 deductible)	14,145,000
Inland Marine Coverage (\$100 deductible)	62,500
General Liability:	
In Aggregate	2,000,000
Per Occurrence	1,000,000
Fleet Insurance:	
Uninsured Motorists	1,000,000
Comprehensive (deductibles: \$1,000 bus / \$250 other)	1,000,000
Collision (deductibles: \$1,000 bus / \$500 other)	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in coverage from last year.

***Employee Health Benefits***

The School District participates in the Portage Area Schools Consortium (the Consortium), which is a cooperative entity among 14 educational-service providers formed in 1981 to facilitate effective risk management and to share the cost of providing various insurance coverages and employee benefits. The Health and Welfare Trust is organized under the provisions of Section 501(c)(9) of the Internal Revenue Code. Its purpose is to facilitate the management of risks associated with providing employee benefits coverage such as health, disability and life insurances. A third party administrator is retained by the Consortium to facilitate the operation of the Health and Welfare Trust. The School District pays all insurance premiums directly to the Consortium. The insurance agreement with the Consortium will reinsure through commercial companies for claims over \$150,000 per employee. Although the School District does not participate in the day-to-day management of the Consortium, one of its administrators serves as a trustee of the Consortium's governing board, as provided in the Consortium's enabling authority. Although the School District recognizes that it retains a contingent liability to provide insurance coverage should the assets of the Consortium become depleted, it is the opinion of management that the assets of the Consortium are sufficient to meet claims.

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

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***Worker's Compensation***

For fiscal year 2022, the School District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 15). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the program. The participating school districts pay experience or rate based premiums to the Bureau of Workers' Compensation (BWC). The total premium for the entire group is the standard premium of the group. Participation in the program is limited to school districts that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control, and actuarial services for the program.

**Note 15 – Public Entity Pools**

***Insurance Purchasing Pool***

***Ohio Association of School Business Officials Workers' Compensation Group Rating Program*** The School District participates in the a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association. The Executive Director of the OSBA, or his designee, serves as the coordinator of the GRP. Each year, participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

***Shared Risk Pool***

***Portage Area Schools Consortium*** The School District participates in the Portage Area Schools Consortium (the Consortium). This is a shared risk pool regional council of governments established pursuant to Chapter 167 of the Ohio Revised Code, consisting of various school districts in Columbiana, Portage and Mahoning counties. The Consortium is a stand-alone entity, comprised of two stand-alone pools; the Portage Area Schools Consortium Property and Casualty Pool and the Portage Area Schools Consortium Health and Welfare Insurance Pool. These pools were established by the Consortium on August 5, 1988, to provide property and casualty risk management services and risk sharing to its members. The pools were established as local government risk pools under Section 1744.081 of the Ohio Revised Code and are not subject to federal tax filing requirements.

**Note 16 – Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service and hours worked. Teachers do not earn vacation. Administrators earn twenty to twenty-five days of vacation annually. Accumulated unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 290 days for all personnel. Upon retirement, payment is made for one-fourth of accrued but unused sick leave credit up to a maximum of 60 days for certified employees and one-third of accrued but unused sick leave credit up to a maximum of 65 days for classified employees.

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

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**Note 17 – Defined Benefit Pension Plans**

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

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

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

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

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

The proportionate share of each plan’s unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 18 for the required OPEB disclosures.

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

***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](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, 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. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2020, the Board of Trustees approved a 0.5 percent cost of living adjustment (COLA) for eligible retirees and beneficiaries in 2021. In 2021, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2022.

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 \$122,822 for fiscal year 2022. Of this amount \$5,809 is reported as an intergovernmental payable.



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

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

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients’ base benefit and past cost of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be 5 years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be 5 years of qualifying service credit and age 60, or 30 years of service credit at any age.

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

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

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

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 \$381,546 for fiscal year 2022. Of this amount \$49,011 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Date	0.02353220%	0.021354784%	
Prior Measurement Date	<u>0.02484180%</u>	<u>0.021789640%</u>	
Change in Proportionate Share	<u>-0.00130960%</u>	<u>-0.000434856%</u>	
Proportionate Share of the Net Pension Liability	\$868,269	\$2,730,401	\$3,598,670
Pension Expense	(\$33,204)	(\$154,824)	(\$188,028)

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$83	\$84,357	\$84,440
Changes of assumptions	18,283	757,462	775,745
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	14,744	3,969	18,713
School District contributions subsequent to the measurement date	<u>122,822</u>	<u>381,546</u>	<u>504,368</u>
Total Deferred Outflows of Resources	<u><u>\$155,932</u></u>	<u><u>\$1,227,334</u></u>	<u><u>\$1,383,266</u></u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$22,518	\$17,114	\$39,632
Net difference between projected and actual earnings on pension plan investments	447,184	2,353,083	2,800,267
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>50,764</u>	<u>155,860</u>	<u>206,624</u>
Total Deferred Inflows of Resources	<u><u>\$520,466</u></u>	<u><u>\$2,526,057</u></u>	<u><u>\$3,046,523</u></u>

\$504,368 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2023	(\$127,290)	(\$427,645)	(\$554,935)
2024	(116,483)	(366,986)	(483,469)
2025	(106,324)	(396,836)	(503,160)
2026	<u>(137,259)</u>	<u>(488,802)</u>	<u>(626,061)</u>
Total	<u><u>(\$487,356)</u></u>	<u><u>(\$1,680,269)</u></u>	<u><u>(\$2,167,625)</u></u>

***Actuarial Assumptions – SERS***

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

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

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

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

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

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

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

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

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 School District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$1,444,588	\$868,269	\$382,236

**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,

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

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:

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

\* 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:

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$5,113,019	\$2,730,401	\$717,094

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

***Social Security System***

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System of Ohio. As of June 30, 2022, 4 members of the Board of Education have elected Social Security. The School District's liability is 6.2 percent of wages paid.

**Note 18 – Defined Benefit OPEB Plans**

See Note 17 for a description of the net OPEB liability (asset).

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

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

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

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

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 \$15,810.

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 \$15,810 for fiscal year 2022. Of this amount \$15,810 is reported as an intergovernmental payable.

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

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. 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 Liabilities (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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.02447360%	0.021354784%	
Prior Measurement Date	<u>0.02583890%</u>	<u>0.021789640%</u>	
Change in Proportionate Share	<u>-0.00136530%</u>	<u>-0.000434856%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$463,182	\$0	\$463,182
Net OPEB (Asset)	\$0	(\$450,247)	(\$450,247)
OPEB Expense	(\$12,762)	(\$44,371)	(\$57,133)



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

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
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$4,937	\$16,032	\$20,969
Changes of assumptions	72,662	28,760	101,422
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	26,956	1,036	27,992
School District contributions subsequent to the measurement date	15,810	0	15,810
<b>Total Deferred Outflows of Resources</b>	<b>\$120,365</b>	<b>\$45,828</b>	<b>\$166,193</b>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$230,686	\$82,493	\$313,179
Changes of assumptions	63,429	268,605	332,034
Net difference between projected and actual earnings on OPEB plan investments	10,063	124,801	134,864
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	57,033	26,779	83,812
<b>Total Deferred Inflows of Resources</b>	<b>\$361,211</b>	<b>\$502,678</b>	<b>\$863,889</b>

\$15,810 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase to the net OPEB asset in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	(\$59,932)	(\$135,904)	(\$195,836)
2024	(60,002)	(132,777)	(192,779)
2025	(56,675)	(118,042)	(174,717)
2026	(44,918)	(52,597)	(97,515)
2027	(25,141)	(17,901)	(43,042)
Thereafter	(9,988)	371	(9,617)
<b>Total</b>	<b>(\$256,656)</b>	<b>(\$456,850)</b>	<b>(\$713,506)</b>

**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.

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

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.

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

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 17.

**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 (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
School District's proportionate share of the net OPEB liability	\$573,940	\$463,182	\$374,703
	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	\$356,613	\$463,182	\$605,528

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

**Actuarial Assumptions – STRS**

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

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

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

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

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

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

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 17.

**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.

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

***Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate*** The following table represents the net OPEB asset as of June 30, 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	(\$379,940)	(\$450,247)	(\$508,980)

  

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$506,600)	(\$450,247)	(\$380,563)

***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 19 – Interfund Balances and Transfers**

***Interfund Balances***

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

	Interfund Receivable
Interfund Payable	General
<b>Major Fund</b>	
Elementary and Secondary School Emergency Relief	\$340,704
<b>Other Governmental Funds</b>	
Student Activities	222
Athletics & Music	23,448
Miscellaneous Federal Grants	600
<b>Grand Total</b>	<b>\$364,974</b>

The interfund receivables and payables are advances due to the timing of the receipt of grant monies received by various funds. The general fund provides money to operate the programs until grants are received and the advances can be repaid. These advances are expected to be repaid within the next fiscal year.

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

***Interfund Transfers***

During fiscal year 2022, the general fund transferred \$300 and \$7,958 to the athletics and title I special revenue funds, respectively, to provide financial support for the School District's athletic programs and title I. The reducing class size special revenue fund transferred \$18,638 to the title I special revenue fund.

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

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

	Capital Improvements
Set Aside Balance as of June 30, 2021	\$0
Current Year Set-aside Requirement	74,864
Current Year Offsets	(90,668)
Qualifying Disbursements	(246,518)
Total	(\$262,322)
Set-aside Balance Carried	
Forward to Future Fiscal Years	\$0
Set Aside Balance as of June 30, 2022	\$0

Although the School District had current year offsets and disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement for future years. This negative balance is therefore not presented as being carried forward to future years.

**Note 21 - 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 year end the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

<b>Governmental Funds</b>	
General	\$292
Elementary and Secondary School Emergency Relief	183,232
Other Governmental Funds	950
<i>Total Governmental Funds</i>	<i>\$184,474</i>

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

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**Note 22 – Tax Abatements**

School District property taxes were reduced by \$6,792 under community reinvestment area agreements entered into by the Village of Sebring.

**Note 23 – Change in Accounting Principle**

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

GASB Statement 87 enhances the relevance and consistency of information of the government’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the School District’s 2022 financial statements; however, there was no effect on beginning net position/fund balance.

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

**Note 24 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2022, the School District received COVID-19 funding. The financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the School District. The impact on the School District’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

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

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## Required Supplementary Information

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

	2022	2021	2020	2019
School District's Proportion of the Net Pension Liability	0.02353220%	0.02484180%	0.02375350%	0.02475680%
School District's Proportionate Share of the Net Pension Liability	\$868,269	\$1,643,089	\$1,421,213	\$1,417,867
School District's Covered Payroll	\$830,700	\$845,400	\$873,370	\$807,714
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	104.52%	194.36%	162.73%	175.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.86%	68.55%	70.85%	71.36%

(1) Information prior to 2014 is not available.

\*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	2014
0.02546090%	0.02873860%	0.02429860%	0.02928400%	0.02928400%
\$1,521,233	\$2,103,400	\$1,386,502	\$1,482,046	\$1,741,425
\$842,657	\$742,236	\$657,314	\$781,205	\$861,821
180.53%	283.39%	210.93%	189.71%	202.06%
69.50%	62.98%	69.16%	71.70%	65.52%

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

	2022	2021	2020
School District's Proportion of the Net OPEB Liability	0.02447360%	0.02583890%	0.02440140%
School District's Proportionate Share of the Net OPEB Liability	\$463,182	\$561,564	\$613,644
School District's Covered Payroll	\$830,700	\$845,400	\$873,370
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	55.76%	66.43%	70.26%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.08%	18.17%	15.57%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

2019	2018	2017
0.02508670%	0.02584100%	0.02584100%
\$695,973	\$693,505	\$736,594
\$807,714	\$842,657	\$742,236
86.17%	82.30%	99.24%
13.57%	12.46%	11.49%

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

	2022	2021	2020	2019
School District's Proportion of the Net Pension Liability	0.021354784%	0.02178964%	0.02239401%	0.02245783%
School District's Proportionate Share of the Net Pension Liability	\$2,730,401	\$5,272,317	\$4,952,301	\$4,937,973
School District's Covered Payroll	\$2,629,757	\$2,812,607	\$2,875,936	\$2,553,079
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	103.83%	187.45%	172.20%	193.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.80%	75.50%	77.40%	77.30%

(1) Information prior to 2014 is not available.

\*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	2014
0.02239972%	0.02407597%	0.02345408%	0.02471351%	0.02471351%
\$5,321,101	\$8,058,953	\$6,482,022	\$6,011,180	\$7,160,479
\$2,462,571	\$2,505,407	\$2,539,136	\$2,638,577	\$2,700,077
216.08%	321.66%	255.28%	227.82%	265.20%
75.30%	66.80%	72.10%	74.70%	69.30%

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

	2022	2021	2020
School District's Proportion of the Net OPEB (Asset) Liability	0.021354784%	0.02178964%	0.02239401%
School District's Proportionate Share of the Net OPEB (Asset) Liability	(\$450,247)	(\$382,952)	(\$370,898)
School District's Covered Payroll	\$2,629,757	\$2,812,607	\$2,875,936
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-17.12%	-13.62%	-12.90%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	174.70%	182.10%	174.70%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information



2019	2018	2017
0.02245783%	0.02239972%	0.02239972%
(\$360,874)	\$873,954	\$1,197,943
\$2,553,079	\$2,462,571	\$2,505,407
-14.13%	35.49%	47.81%
176.00%	47.10%	37.30%

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$122,822	\$116,298	\$118,356	\$117,905
Contributions in Relation to the Contractually Required Contribution	<u>(122,822)</u>	<u>(116,298)</u>	<u>(118,356)</u>	<u>(117,905)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$877,300	\$830,700	\$845,400	\$873,370
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.50%</u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution (2)	15,810	16,687	16,886	19,537
Contributions in Relation to the Contractually Required Contribution	<u>(15,810)</u>	<u>(16,687)</u>	<u>(16,886)</u>	<u>(19,537)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.80%</u>	<u>2.01%</u>	<u>2.00%</u>	<u>2.24%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.80%</u>	<u>16.01%</u>	<u>16.00%</u>	<u>15.74%</u>

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

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014	2013
\$109,041	\$117,972	\$103,903	\$86,634	\$108,275	\$119,276
(109,041)	(117,972)	(103,903)	(86,634)	(108,275)	(119,276)
\$0	\$0	\$0	\$0	\$0	\$0
\$807,714	\$842,657	\$742,236	\$657,314	\$781,205	\$861,821
13.50%	14.00%	14.00%	13.18%	13.86%	13.84%
17,463	14,103	14,904	17,373	20,415	19,844
(17,463)	(14,103)	(14,904)	(17,373)	(20,415)	(19,844)
\$0	\$0	\$0	\$0	\$0	\$0
2.16%	1.67%	2.01%	2.64%	2.61%	2.30%
15.66%	15.67%	16.01%	15.82%	16.47%	16.14%

**Sebring Local School District**  
*Required Supplementary Information*  
*Schedule of the School District's Contributions*  
*State Teachers Retirement System of Ohio*  
*Last Ten Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$381,546	\$368,166	\$393,765	\$402,631
Contributions in Relation to the Contractually Required Contribution	<u>(381,546)</u>	<u>(368,166)</u>	<u>(393,765)</u>	<u>(402,631)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$2,725,329	\$2,629,757	\$2,812,607	\$2,875,936
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

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

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014	2013
\$357,431	\$344,760	\$350,757	\$355,479	\$343,015	\$351,010
<u>(357,431)</u>	<u>(344,760)</u>	<u>(350,757)</u>	<u>(355,479)</u>	<u>(343,015)</u>	<u>(351,010)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,553,079	\$2,462,571	\$2,505,407	\$2,539,136	\$2,638,577	\$2,700,077
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>13.00%</u>
\$0	\$0	\$0	\$0	\$26,386	\$27,001
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(26,386)</u>	<u>(27,001)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>1.00%</u>	<u>1.00%</u>
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

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

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**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:

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

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

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

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

**Net OPEB Liability (Asset)**

**Changes in Assumptions – SERS**

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

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

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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



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

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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.

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**SEBRING LOCAL SCHOOL DISTRICT  
MAHONING COUNTY**

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

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	006	\$ 119,308
National School Lunch Program	10.555	006	219,183
COVID-19 National School Lunch Program	10.555	006	45,968
National School Lunch Program -Commodities	10.555	006	19,934
Total Child Nutrition Cluster			<u>404,393</u>
Total U.S. Department of Agriculture			<u><b>404,393</b></u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through the Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010	572-9221	23,153
Title I Grants to Local Educational Agencies	84.010	572-9222	110,920
School Quality Improvement	84.010	572-9321	(212)
School Quality Improvement	84.010	572-9322	299,005
Expanding Opportunities For Each Child	84.010	572-9422	5,650
Total Title I Grants to Local Educational Agencies			<u>438,516</u>
Special Education Cluster:			
Special Education - Grants to States (IDEA Part B)	84.027	516-9221	25,012
Special Education - Grants to States (IDEA Part B)	84.027	516-9222	119,481
Total Special Education - Grants to States (IDEA Part B) / Special Education Cluster			<u>144,493</u>
Rural Education Grant	84.358	599-9321	12,543
Total Rural Education Grant			<u>12,543</u>
Title IV-A Student Support and Academic Enrichment	84.424	584-9222	12,977
Total Title IV-A Student Support and Academic Enrichment			<u>12,977</u>
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	507-9221	23,510
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	507-9321	338,912
COVID-19 ARP Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425U	507-9422	610,133
Total Elementary and Secondary School Emergency Relief (ESSER) Fund			<u>972,555</u>
Total U.S. Department of Education			<u><b>1,581,084</b></u>
<b>Federal Communication Commission</b>			
<i>Passed Through the Ohio Department of Education</i>			
COVID-19 Emergency Connectivity Fund	32.009	599-9022	50,000
Total Emergency Connectivity Fund			<u>50,000</u>
Total Federal Communication Commission			<u><b>50,000</b></u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$ 2,035,477</b></u>

The accompanying notes are an integral part of this schedule.

**SEBRING LOCAL SCHOOL DISTRICT  
MAHONING COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE A – BASIS OF PRESENTATION**

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

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

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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

# OHIO AUDITOR OF STATE KEITH FABER



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

Sebring Local School District  
Mahoning County  
510 North 14th Street  
Sebring, Ohio 44672

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sebring Local School District, Mahoning County, (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 3, 2023. We noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

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

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

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

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

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

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

#### ***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

March 3, 2023



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

Sebring Local School District  
Mahoning County  
510 North 14th Street  
Sebring, Ohio 44672

To the Board of Education:

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

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

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

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

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

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

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

### ***Responsibilities of Management for Compliance***

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

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

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

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

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

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

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

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



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

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio

March 3, 2023

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**SEBRING LOCAL SCHOOL DISTRICT  
MAHONING COUNTY**

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

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

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

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

None

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

None

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# OHIO AUDITOR OF STATE KEITH FABER



**SEBRING LOCAL SCHOOL DISTRICT**

**MAHONING COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



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

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

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