TALLMADGE CITY SCHOOL DISTRICT

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2022

Wilson, Phillips & Agin, CPA's, Inc.
1100 Brandywine Blvd. Building G
Zanesville, Ohio 43701

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Education
Tallmadge City School District
486 East Avenue
Tallmadge, Ohio 44278

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

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

Keith Faber
Auditor of State
Columbus, Ohio

January 26, 2023

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TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY

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WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT

Tallmadge City School District
Summit City
486 East Avenue
Tallmadge, Ohio 44278

To the Board of Education:

Report on the Audit of the Financial Statements

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Tallmadge City School District, Summit County, Ohio as of June 30, 2022, and the respective changes in financial position and where applicable, cash flows, thereof, and the respective budgetary comparison for the General Fund thereof 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 responsibility under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of our report. We are required to be independent of the Tallmadge City School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe 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 19 to the financial statements, during the year ended June 30, 2022, the impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding 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 Tallmadge City School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 the financial audit standards in the Comptroller General of the United States' *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 Tallmadge City School District's internal control. Accordingly, no such opinion was 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 Tallmadge City School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it essential 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, consisting 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 and opinion or provide any other assurance.

Supplementary Information

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

Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures we applied to 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, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 8, 2022, on our consideration of the Tallmadge City School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance and the results of that testing, and does not opine on 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 Tallmadge City School District's internal control over financial reporting and compliance.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
December 8, 2022

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

Financial Highlights

Key financial highlights for 2022 are as follows:

- Net position of governmental activities increased $5,561,334, which represents a 72.48% increase from 2021's net position.

- General revenues accounted for $33,864,882 in revenue or 84.47% of all governmental activities revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $6,224,954 or 15.53% of total governmental activities revenues of $40,089,836.

- The District had $34,528,502 in expenses related to governmental activities, $6,224,954 of these expenses were offset by program specific charges for services and sales, grants and contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $33,864,882 were more than adequate to provide for these programs.

- The District's major governmental funds are the general fund and the bond retirement fund. The general fund had $32,206,585 in revenues and other financing sources and $31,744,314 in expenditures. The fund balance of the general fund increased $462,271 from a balance of $3,651,644 to $4,113,915.

- The bond retirement fund had $21,429,600 in revenues and other financing sources and $21,151,682 in expenditures and other financing uses. The fund balance of the bond retirement fund increased $277,918 from $1,345,842 to $1,623,760.

Using the Financial Report

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

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

Reporting the District as a Whole

Statement of Net position and the Statement of Activities

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

These two statements report the District's net position and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

On the statement of net position and in the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The District's statement of net position and statement of activities can be found on pages 13 and 14 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 10. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and statement of activities) and governmental funds is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 15 - 19 of this report.

Proprietary Fund

The District maintains one proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund activity accounts for self-insurance of the District's medical/surgical and prescription drug benefits. The basic proprietary fund financial statements can be found on pages 20 - 22 of this report.

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. These notes to the basic financial statements can be found on pages 23 - 66 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the net pension liability and net OPEB liability/asset in this report on pages 68 - 86.

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for June 30, 2022 and June 30, 2021.

Net Position

	Governmental Activities	
	2022	2021
Assets		
Current and other assets	$ 36,996,116	$ 35,166,875
Net OPEB asset	2,258,286	1,846,500
Capital assets, net	86,812,031	86,732,787
Total assets	126,066,433	123,746,162
Deferred outflows of resources		
Unamortized deferred charges on debt refunding	1,614,229	184,139
Pension	7,116,807	5,652,155
OPEB	721,956	851,519
Total deferred outflows	9,452,992	6,687,813
Liabilities		
Current liabilities	4,689,091	5,093,195
Long-term liabilities:		
Due within one year	2,398,633	1,983,757
Due in more than one year:		
Net pension liability	17,881,168	32,909,343
Net OPEB liability	2,213,125	2,552,306
Other amounts	54,377,876	54,473,901
Total liabilities	81,559,893	97,012,502
Deferred inflows of resources		
Property taxes levied for the next fiscal year	20,458,138	20,454,545
Payment in lieu of taxes levied for the next fiscal year	53,954	61,000
Lease	1,034,559	-
Unamortized deferred gain on debt refunding	164,520	181,991
Pension	15,096,788	1,494,827
OPEB	3,917,476	3,556,347
Total deferred inflows	40,725,435	25,748,710
Net Position		
Net investment in capital assets	34,810,129	33,651,999
Restricted	2,339,420	1,284,604
Unrestricted (deficit)	(23,915,452)	(27,263,840)
Total net position	$ 13,234,097	$ 7,672,763

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2022 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27." The District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability/asset to the reported net position and subtracting deferred outflows and deferred inflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

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 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.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

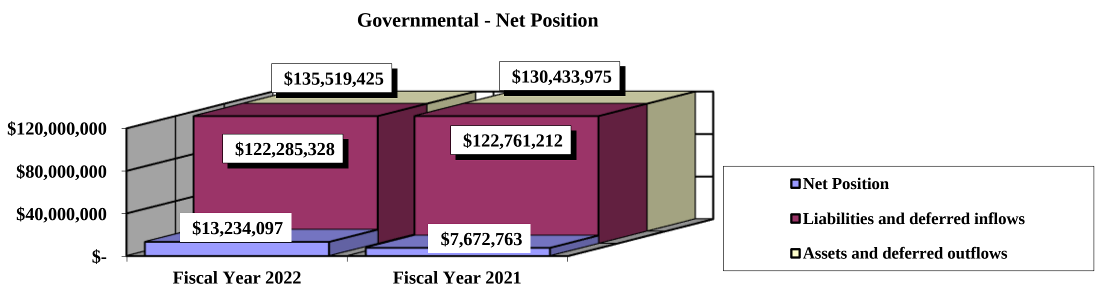
Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2022, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $13,234,097.

The net investment in capital assets at June 30, 2022 was $34,810,129. A portion of the District's net position, $2,339,420, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of $23,915,452.

At year-end, capital assets represented 68.86% of total assets. Capital assets include land, buildings and improvements, furniture and equipment, vehicles and intangible right to use – leased equipment. Capital assets are used to provide services to the students and are not available for future spending.

The net pension liability decreased $15,028,175 or 45.67% and deferred inflows of resources related to pension increased $13,601,961 or 909.94%. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Net investment income on investments at both pension systems exceeded estimates for the fiscal year 2021 measurement that are used for the fiscal year 2022 reporting which cause a large increase in fiduciary net position.

The graph below presents the District's governmental assets and deferred outflows of resources, liabilities and deferred inflows of resources and net position for fiscal years 2022 and 2021.



The table below shows the changes in net position for governmental activities between 2022 and 2021.

Change in Net Position

	Governmental Activities 2022	Governmental Activities 2021
Revenues		
Program revenues:		
Charges for services and sales	$ 1,395,706	$ 558,667
Operating grants and contributions	4,826,197	5,868,398
Capital grants and contributions	3,051	37,314
General revenues:		
Property taxes	22,331,304	22,423,221
Payments in lieu of taxes	224,360	58,960
Grants and entitlements - not restricted	10,491,893	10,676,909
Investment earnings	38,430	10,926
Miscellaneous	778,895	1,207,283
Total revenues	40,089,836	40,841,678

-Continued

	Governmental Activities (Continued)	
	2022	2021
Expenses		
Program expenses:		
Instruction:		
Regular	$ 13,523,293	$ 16,570,786
Special	3,905,473	4,520,237
Vocational	1,061,774	1,031,997
Adult/continuing	75,552	73,907
Support services:		
Pupil	1,579,910	1,963,263
Instructional staff	333,251	736,021
Board of education	101,817	44,658
Administration	2,323,585	2,524,212
Fiscal	955,106	970,427
Business	18,744	224,506
Operations and maintenance	2,671,437	3,068,880
Pupil transportation	2,720,273	2,560,135
Central	787,699	630,220
Operation of non-instructional services	1,366,155	1,307,928
Extracurricular activities	1,301,662	1,104,000
Interest and fiscal charges	1,802,771	2,027,290
Total expenses	34,528,502	39,358,467
Changes in net position	5,561,334	1,483,211
Net position at beginning of year	7,672,763	6,189,552
Net position at end of year	$ 13,234,097	$ 7,672,763

Governmental Activities

Net position of the District's governmental activities increased $5,561,334. Total governmental expenses of $34,528,502 were offset by program revenues of $6,224,954 and general revenues of $33,864,882. Program revenues supported 18.03% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements. These revenue sources represent 81.87% of total governmental revenue. Real estate property is reappraised every six years. Miscellaneous general revenues decreased during the current fiscal year as a result of refunds and dividends received by the Bureau of Workers' Compensation (BWC) in the prior fiscal year that was not received in fiscal year 2022.

The largest expense of the District is for instructional programs. Instruction expenses totaled $18,566,092 or 53.77% of total governmental expenses for fiscal year 2022.

The statement of activities shows the cost of program services and the charges for services and sales and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2022 and 2021. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

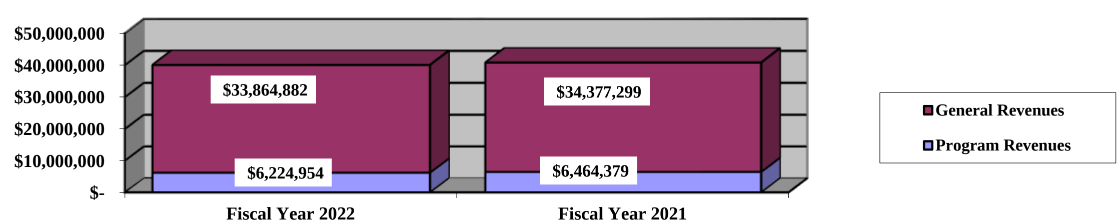
Governmental Activities

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Program expenses:				
Instruction:				
Regular	$ 13,523,293	$ 12,496,790	$ 16,570,786	$ 16,147,611
Special	3,905,473	2,037,369	4,520,237	2,583,462
Vocational	1,061,774	910,484	1,031,997	812,344
Adult/continuing	75,552	1,685	73,907	6,200
Support services:				
Pupil	1,579,910	1,196,378	1,963,263	1,440,902
Instructional staff	333,251	284,694	736,021	375,032
Board of Education	101,817	101,817	44,658	44,658
Administration	2,323,585	2,274,018	2,524,212	2,467,031
Fiscal	955,106	955,106	970,427	961,648
Business	18,744	18,744	224,506	224,506
Operations and maintenance	2,671,437	2,587,293	3,068,880	2,944,151
Pupil transportation	2,720,273	2,445,044	2,560,135	1,365,852
Central	787,699	787,699	630,220	630,220
Operation of non-instructional services	1,366,155	(397,443)	1,307,928	(75,696)
Extracurricular activities	1,301,662	801,099	1,104,000	938,877
Interest and fiscal charges	1,802,771	1,802,771	2,027,290	2,027,290
Total expenses	$ 34,528,502	$ 28,303,548	$ 39,358,467	$ 32,894,088

The dependence upon tax revenues during fiscal year 2022 for governmental activities is apparent, as 83.20% of fiscal year 2022 instructional activities are supported through taxes and other general revenues. The District's taxpayers and unrestricted grants and entitlements from the State, are by far the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2022 and 2021.

Governmental Activities - General and Program Revenues



The District's Governmental Funds

The District's governmental funds reported a combined fund balance of $5,768,075, which is greater than last year's balance of $3,909,890.

	Fund Balance June 30,2022	Fund Balance (Deficit) June 30,2021	Change
General	$ 4,113,915	$ 3,651,644	$ 462,271
Bond Retirement	1,623,760	1,345,842	277,918
Other Governmental	30,400	(1,087,596)	1,117,996
Total	$ 5,768,075	$ 3,909,890	$ 1,858,185

General Fund

The District's general fund balance increased $462,271 during fiscal year 2022. The following tables assists in illustrating the revenues and expenditures of the general fund.

	2022 Amount	2021 Amount	Percentage Change
Revenues			
Taxes	$ 18,932,287	$ 18,625,214	1.65 %
Intergovernmental	11,605,725	11,812,062	(1.75) %
Other revenues	1,574,868	1,459,264	7.92 %
Total	$ 32,112,880	$ 31,896,540	0.68 %

Revenues of the general fund increased $216,340 or 0.68%. All other revenues remained comparable to the prior fiscal year.

	2022 Amount	2021 Amount	Percentage Change
Expenditures			
Instruction	$ 19,122,705	$ 19,589,413	(2.38) %
Support services	11,433,212	9,174,527	24.62 %
Operation of non-instructional	206,673	177,666	16.33 %
Extracurricular activities	810,863	734,825	10.35 %
Debt service	170,861	87,162	96.03 %
Total	$ 31,744,314	$ 29,763,593	6.65 %

Expenditures in the general fund increased $1,980,721 or 6.65%. All expenditures remained comparable to the prior fiscal year.

Bond Retirement Fund

The bond retirement fund had $21,429,600 in revenues and other financing sources and $21,151,682 in expenditures and other financing uses. The fund balance of the bond retirement fund increased $277,918 from $1,345,842 to $1,623,760.

General Fund Budgeting Highlights

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

During the course of fiscal year 2022, the District amended its general fund budget several times. The 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, original budgeted revenues and other financing sources were $31,539,886. Actual revenues and other financing sources of $32,097,733 were the same as the final budgeted revenues and other financing sources.

General fund original and final appropriations were $34,400,726 and $33,952,771, respectively. The actual budget basis expenditures for fiscal year 2022 totaled $33,952,771, which was the same as the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the District has reported $143,162 in governmental activities in lease obligations at July 1, 2021; however, this entire amount was offset by the intangible asset, right to use leased - equipment. The District had $86,812,031 invested in land, construction in progress, buildings and improvements, furniture and equipment, vehicles and intangible right to use – leased equipment. The following table shows fiscal year 2022 balances compared to 2021:

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2022	2021
Land	$ 3,716,335	$ 3,716,335
Buildings and improvements	81,578,334	82,664,633
Furniture and equipment	575,464	270,396
Vehicles	75,495	81,423
Intangible right to use - leased equipment	61,355	143,162
Construction in progress	805,048	-
Total	$ 86,812,031	$ 86,875,949

The overall decrease in capital assets of $63,918 is due to depreciation expense of $1,418,542 and disposals (net of accumulated depreciation) of $144,485 exceeding capital outlays of $1,499,109 in fiscal year 2022.

See Note 9 to the basic financial statements for detail on the District's capital assets.

Debt Administration

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the District has reported $143,162 in governmental activities in lease obligations at July 1, 2021; however, this entire amount was offset by the intangible asset, right to use leased - equipment.

At June 30, 2022, the District had $50,606,737 in general obligation bonds. Of this total, $1,901,613 is due within one year and $48,705,124 is due in greater than one year. The District also had $145,070 outstanding for lease obligations, which the full amount was due within one year.

Outstanding Debt, at Year End

	Governmental Activities 2022	Governmental Activities 2021
General obligation bonds	$ 50,606,737	$ 52,126,380
Lease obligations	145,070	305,231
Total	$ 50,751,807	$ 52,431,611

See Note 10 to the basic financial statements for detail on the District's debt administration.

Current Issues Affecting Financial Condition

With the passage of a new 7.4 mill operating levy in May of 2019 the District reaffirmed its support from the community. Along with the renewals of a 6.9 mill emergency levy in 2013 and a 7.5 mill levy in November 2015, both for a 10 year period the District has established a very firm financial foundation. The District also renewed its 1.25 mill permanent improvement levy in November 2015 for a continuing period.

In an effort to complete the District's master plan with the OFCC the District reached out to the community in order to facilitate the sharing of ideas of what the District's facility needs were and how best to meet those needs. The outcome of those meetings resulted in a change to the master plan. The new plan included a new K-5 building (combining 2 existing elementary schools) and a new 6-8 middle school, both on the current middle school site, raising the current 6-8 middle school (old high school) building. Another capital improvement plan which came out of those community meetings was to relocate and build a new athletic stadium and relocate the baseball and softball fields to the new high school site. This resulted in the District placing two separate bond issues on the November 2019 ballot. The first issue for the new buildings was a 3.86 mill bond issue, and the second was a .9 mill bond issue. Both issues passed.

The District has now completed the construction of the new elementary and middle school buildings. Also, the fall of 2019 marked the completion and opening of the new high school stadium. The summer of 2021 saw the completion of the new softball field, and the construction of the baseball field has begun. The District is currently in a capital financing campaign to raise the necessary funds to complete the baseball field and to renovate the previous high school stadium, which is now the middle school stadium. The goal is to raise $3.5 million to complete this project.

The completion of the new school buildings has made the district more efficient and effective in delivering a top notch education. It has allowed our staff to engage in more team teaching and to maximize certain spaces in the new buildings incorporating various education strategies to benefit all of our students. It is an exciting time for Tallmadge City Schools. With a new housing development, which when completed in 2023 will include 208 new homes, Tallmadge is fast becoming a preferred community in Summit County.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Jeffery W. Hostetler, Treasurer, at Tallmadge City School District, 486 East Avenue, Tallmadge, or E-Mail him at hostetler.jeff@tallmadgeschools.org.

TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2022

		Governmental Activities
Assets:		
Equity in pooled cash and cash equivalents	$	12,607,340
Receivables:		
Property taxes		22,590,010
Payment in lieu of taxes		132,927
Accounts		10
Accrued interest		8,933
Intergovernmental		566,905
Lease		1,045,337
Prepayments		26,637
Materials and supplies inventory		4,399
Inventory held for resale		13,618
Net OPEB asset		2,258,286
Capital assets:		
Nondepreciable/amortized capital assets		4,521,383
Depreciable/amortized capital assets, net		82,290,648
Capital assets, net		86,812,031
Total assets		126,066,433
Deferred outflows of resources:		
Unamortized deferred charges on debt refunding		1,614,229
Pension		7,116,807
OPEB		721,956
Total deferred outflows of resources		9,452,992
Liabilities:		
Accounts payable		118,733
Contracts payable		330,367
Retainage payable		41,223
Accrued wages and benefits payable		2,865,673
Intergovernmental payable		788,567
Accrued interest payable		250,928
Claims payable		293,600
Long-term liabilities:		
Due within one year		2,398,633
Due in more than one year:		
Net pension liability		17,881,168
Net OPEB liability		2,213,125
Other amounts due in more than one year		54,377,876
Total liabilities		81,559,893
Deferred inflows of resources:		
Property taxes levied for the next fiscal year		20,458,138
Payment in lieu of taxes levied for the next fiscal year		53,954
Lease		1,034,559
Unamortized deferred gain on debt refunding		164,520
Pension		15,096,788
OPEB		3,917,476
Total deferred inflows of resources		40,725,435
Net position:		
Net investment in capital assets		34,810,129
Restricted for:		
Capital projects		371,590
Debt service		1,056,077
State funded programs		9,482
Federally funded programs		179,332
Food service operations		467,021
Student activities		165,921
Other purposes		89,997
Unrestricted (deficit)		(23,915,452)
Total net position	$	13,234,097

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Governmental activities:					
Instruction:					
Regular	$ 13,523,293	$ 377,706	$ 647,746	$ 1,051	$ (12,496,790)
Special	3,905,473	117,706	1,750,398	-	(2,037,369)
Vocational	1,061,774	-	151,290	-	(910,484)
Adult/continuing	75,552	-	73,867	-	(1,685)
Support services:			-		
Pupil	1,579,910	-	383,532	-	(1,196,378)
Instructional staff	333,251	-	48,557	-	(284,694)
Board of education	101,817	-	-	-	(101,817)
Administration	2,323,585	49,567	-	-	(2,274,018)
Fiscal	955,106	-	-	-	(955,106)
Business	18,744	-	-	-	(18,744)
Operations and maintenance	2,671,437	64,989	19,155	-	(2,587,293)
Pupil transportation	2,720,273	95,658	179,571	-	(2,445,044)
Central	787,699	-	-	-	(787,699)
Operation of non-instructional services:					
Food service operations	1,106,644	197,456	1,527,024	-	617,836
Other non-instructional services	259,511	-	39,118	-	(220,393)
Extracurricular activities	1,301,662	492,624	5,939	2,000	(801,099)
Interest and fiscal charges	1,802,771	-	-	-	(1,802,771)
Totals	$ 34,528,502	$ 1,395,706	$ 4,826,197	$ 3,051	(28,303,548)

General revenues:	
Property taxes levied for:	
General purposes	18,667,677
Debt service	3,318,030
Capital outlay	345,597
Payments in lieu of taxes	224,360
Grants and entitlements not restricted to specific programs	10,491,893
Investment earnings	38,430
Miscellaneous	778,895
Total general revenues	33,864,882
Change in net position	5,561,334
Net position at beginning of year	7,672,763
Net position at end of year	$ 13,234,097

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash				
and cash equivalents	$ 5,385,831	$ 1,388,774	$ 1,014,680	$ 7,789,285
Receivables:				
Property taxes	18,952,521	3,285,758	351,731	22,590,010
Payment in lieu of taxes	132,927	-	-	132,927
Accounts	10	-	-	10
Accrued interest	8,933	-	-	8,933
Intergovernmental	48,509	-	518,396	566,905
Lease	1,045,337	-	-	1,045,337
Prepayments	26,637	-	-	26,637
Materials and supplies inventory	-	-	4,399	4,399
Inventory held for resale	-	-	13,618	13,618
Due from other funds	595,718	-	18,963	614,681
Total assets	$ 26,196,423	$ 4,674,532	$ 1,921,787	$ 32,792,742
Liabilities:				
Accounts payable	$ 99,574	$ -	$ 19,159	$ 118,733
Contracts payable	-	-	330,367	330,367
Retainage payable	-	-	41,223	41,223
Accrued wages and benefits payable	2,674,700	-	190,973	2,865,673
Compensated absences payable	42,377	-	-	42,377
Intergovernmental payable	756,694	-	31,873	788,567
Due to other funds	17,426	-	597,255	614,681
Total liabilities	3,590,771	-	1,210,850	4,801,621
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	17,130,476	3,014,356	313,306	20,458,138
Payment in lieu of taxes levied for the next fiscal year	53,954	-	-	53,954
Delinquent property tax revenue not available	246,344	36,416	5,214	287,974
Intergovernmental revenue not available	26,404	-	362,017	388,421
Lease	1,034,559	-	-	1,034,559
Total deferred inflows of resources	18,491,737	3,050,772	680,537	22,223,046
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	4,399	4,399
Prepaids	26,637	-	-	26,637
Unclaimed monies	197	-	-	197
Restricted:				
Debt service	-	1,623,760	-	1,623,760
Food service operations	-	-	677,983	677,983
Federally funded programs	-	-	156,088	156,088
Extracurricular	-	-	165,921	165,921
Other purposes	-	-	89,800	89,800
Committed:				
Underground storage tank	16,179	-	-	16,179
Assigned:				
Student instruction	76,037	-	-	76,037
Student and staff support	1,738,869	-	-	1,738,869
Extracurricular activities	6,743	-	-	6,743
Subsequent year's appropriations	1,145,078	-	-	1,145,078
School supplies	18,974	-	-	18,974
Other purposes	9,231	-	-	9,231
Unassigned (deficit)	1,075,970	-	(1,063,791)	12,179
Total fund balances	4,113,915	1,623,760	30,400	5,768,075
Total liabilities, deferred inflows and fund balances	$ 26,196,423	$ 4,674,532	$ 1,921,787	$ 32,792,742

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2022

Total governmental fund balances		$ 5,768,075
Amounts reported for governmental activities on 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.		86,812,031
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 287,974	
Intergovernmental receivable	388,421	
Total		676,395
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		4,524,455
Unamortized premiums on bonds issued are not recognized in the funds.		(2,764,539)
Unamortized amounts on refundings are not recognized in the funds.		1,449,709
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(250,928)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	7,116,807	
Deferred inflows - pension	(15,096,788)	
Net pension liability	(17,881,168)	
Deferred outflows - OPEB	721,956	
Deferred inflows - OPEB	(3,917,476)	
Net OPEB asset	2,258,286	
Net OPEB liability	(2,213,125)	
Total		(29,011,508)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(49,910,000)	
Capital appreciation bonds	(343,423)	
Accretion of interest - capital appreciation bonds	(353,314)	
Lease obligations	(145,070)	
Compensated absences	(3,217,786)	
Total		(53,969,593)
Net position of governmental activities		$ 13,234,097

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 18,707,927	$ 3,326,561	$ 346,433	$ 22,380,921
Intergovernmental	11,605,725	258,940	4,524,506	16,389,171
Investment earnings	27,534	-	1,051	28,585
Tuition and fees	495,412	-	-	495,412
Extracurricular	209,817	-	428,032	637,849
Rental income	63,210	-	-	63,210
Charges for services	-	-	199,235	199,235
Contributions and donations	-	-	123,367	123,367
Payment in lieu of taxes	224,360	-	-	224,360
Miscellaneous	778,895	-	2,000	780,895
Total revenues	32,112,880	3,585,501	5,624,624	41,323,005
Expenditures:				
Current:				
Instruction:				
Regular	14,603,613	-	515,145	15,118,758
Special	3,374,842	-	945,111	4,319,953
Vocational	1,134,448	-	-	1,134,448
Adult/continuing	9,802	-	65,750	75,552
Support services:				
Pupil	1,702,640	-	87,998	1,790,638
Instructional staff	305,641	-	38,711	344,352
Board of education	104,554	-	-	104,554
Administration	2,442,409	-	26,723	2,469,132
Fiscal	908,260	57,660	10,169	976,089
Business	14,702	-	-	14,702
Operations and maintenance	2,463,092	-	15,790	2,478,882
Pupil transportation	2,704,215	-	13,639	2,717,854
Central	787,699	-	-	787,699
Operation of non-instructional services:				
Food service operations	-	-	1,153,427	1,153,427
Other non-instructional services	206,673	-	82,531	289,204
Extracurricular activities	810,863	-	418,326	1,229,189
Facilities acquisition and construction	-	-	1,133,308	1,133,308
Debt service:				
Principal retirement	160,161	1,635,000	-	1,795,161
Interest and fiscal charges	10,700	1,614,923	-	1,625,623
Refunding bond issuance costs	-	283,796	-	283,796
Total expenditures	31,744,314	3,591,379	4,506,628	39,842,321
Excess of revenues over (under) expenditures	368,566	(5,878)	1,117,996	1,480,684
Other financing sources (uses):				
Premium on refunding bonds	-	1,915,165	-	1,915,165
Issuance of refunding bonds	-	15,928,934	-	15,928,934
Sale of capital assets	93,705	-	-	93,705
Payment to refunding bond escrow agent	-	(17,560,303)	-	(17,560,303)
Total other financing sources (uses)	93,705	283,796	-	377,501
Net change in fund balances	462,271	277,918	1,117,996	1,858,185
Fund balances (deficit) at beginning of year	3,651,644	1,345,842	(1,087,596)	3,909,890
Fund balances at end of year	$ 4,113,915	$ 1,623,760	$ 30,400	$ 5,768,075

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds		$ 1,858,185
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimate useful lives as depreciation/amortization expense.		
Capital asset additions	$ 1,499,109	
Current year depreciation/amortization	(1,418,542)	
Total		80,567
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(144,485)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(49,617)	
Intergovernmental	(1,199,973)	
Total		(1,249,590)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		1,795,161
Issuance of refunding bonds are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		(15,928,934)
Payment to refunded bond escrow agent for the retirement of bonds is an other financing use in the governmental funds but the payment reduces long-term liabilities on the statement of net position. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities.		17,560,303
Premiums on refunding bonds are amortized over the life of the issuance in the statement of activities		(1,915,165)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
(Increase) decrease in accrued interest payable	134,747	
Accreted interest on capital appreciation bonds	(121,423)	
Amortization of bond premiums	120,962	
Amortization of deferred gain	17,471	
Amortization of deferred charges	(45,109)	
Total		106,648
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	2,450,041	
OPEB	72,348	
Total		2,522,389
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	440,825	
OPEB	187,927	
Total		628,752
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 the governmental funds.		(177,960)
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		425,463
Change in net position of governmental activities		$ 5,561,334

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property taxes	$ 18,216,788	$ 18,806,389	$ 18,806,389	$ -
Intergovernmental	11,647,828	11,547,088	11,547,088	-
Investment earnings	5,264	5,833	5,833	-
Tuition and fees	142,253	495,412	495,412	-
Extracurricular	28,947	41,632	41,632	-
Rental income	64,601	60,200	60,200	-
Payment in lieu of taxes	142,854	145,387	145,387	-
Miscellaneous	1,141,962	777,891	777,891	-
Total revenues	31,390,497	31,879,832	31,879,832	-
Expenditures:				
Current:				
Instruction:				
Regular	17,289,157	14,861,804	14,861,804	-
Special	4,046,735	3,403,440	3,403,440	-
Vocational	1,161,291	1,141,531	1,141,531	-
Adult/continuing	17,008	10,554	10,554	-
Support services:				
Pupil	1,297,776	1,749,364	1,749,364	-
Instructional staff	364,502	335,908	335,908	-
Board of education	62,439	128,771	128,771	-
Administration	2,734,823	2,483,150	2,483,150	-
Fiscal	1,034,160	922,360	922,360	-
Business	180,650	17,626	17,626	-
Operations and maintenance	2,775,716	3,498,896	3,498,896	-
Pupil transportation	1,609,076	3,531,829	3,531,829	-
Central	765,411	849,194	849,194	-
Operation of non-instructional services:				
Other non-instructional services	205,556	211,984	211,984	-
Extracurricular activities	856,426	806,360	806,360	-
Total expenditures	34,400,726	33,952,771	33,952,771	-
Excess of revenues (under) expenditures	(3,010,229)	(2,072,939)	(2,072,939)	-
Other financing sources:				
Refund of prior year's expenditures	128,572	110,183	110,183	-
Sale of capital assets	20,817	107,718	107,718	-
Total other financing sources	149,389	217,901	217,901	-
Net change in fund balance	(2,860,840)	(1,855,038)	(1,855,038)	-
Fund balance at beginning of year	3,259,472	3,259,472	3,259,472	-
Prior year encumbrances appropriated	2,580,049	2,580,049	2,580,049	-
Fund balance at end of year	$ 2,978,681	$ 3,984,483	$ 3,984,483	$ -

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022

	Governmental Activities - Internal Service Fund
Assets:	
Equity in pooled cash and cash equivalents	$ 4,818,055
Total assets	4,818,055
Liabilities:	
Claims payable	293,600
Total liabilities	293,600
Net position:	
Unrestricted	4,524,455
Total net position	$ 4,524,455

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	$ 4,202,825
Total operating revenues	4,202,825
Operating expenses:	
Purchased services	827,973
Claims	2,960,285
Total operating expenses	3,788,258
Operating income	414,567
Nonoperating revenues:	
Interest revenue	10,896
Total nonoperating revenues	10,896
Change in net position	425,463
Net position at beginning of year	4,098,992
Net position at end of year	$ 4,524,455

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services	$ 4,202,825
Cash payments for purchased services	(827,973)
Cash payments for claims	(3,014,285)
Net cash provided by operating activities	360,567
Cash flows from investing activities:	
Interest received	10,896
Net cash provided by investing activities	10,896
Net increase in cash and cash cash equivalents	371,463
Cash and cash equivalents at beginning of year	4,446,592
Cash and cash equivalents at end of year	$ 4,818,055
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 414,567
Changes in assets and liabilities:	
Claims payable	(54,000)
Net cash provided by operating activities	$ 360,567

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

Tallmadge City School District (the "District") is organized under Article VI, Section 2 of the Constitution of the State of Ohio. The District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four-year terms.

The District is primarily located in Summit County with a small portion located in Portage County and encompasses nearly all of the City of Tallmadge. The District provides educational services as mandated by state and federal agencies. The Board controls the District's five instructional/support facilities staffed by 101 classified employees and 170 certified full-time personnel, and 17 administrators who provide services to 2,460 students and other community members. The District currently operates one elementary building, one middle school, one high school, an administrative building, and a bus garage.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (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 District's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The following organizations are described due to their relationship to the District:

JOINTLY GOVERNED ORGANIZATIONS

Northeast Ohio Network for Educational Technology - The Northeast Ohio Network for Educational Technology (NEOnet) is the computer service Organization or Information Technology Center (ITC) used by the District. NEOnet is an association of public school districts in a geographic area determined by the Ohio Department of Education. The purpose of the consortium is to develop and employ a computer system efficiently and effectively for the needs of the member Boards of Education. All school districts in the consortium are required to pay fees, charges and assessments as charged. NEOnet is governed by a board, Metropolitan Regional Schools Council (MRSC) consisting of superintendents and treasurers from all of the participating districts. An elected Executive Board consisting of nine members of the governing board is the managerial body of the consortium and meets at least five times a year. The District does not maintain an ongoing financial interest or an ongoing financial responsibility. Payments to NEOnet are made from the general fund. During fiscal year 2022, the District contributed $401,963 to NEOnet for services provided. Financial information can be obtained by contacting NEOnet at 700 Graham Road, Cuyahoga Falls, Ohio 44221.

Six District Educational Compact - The Six District Educational Compact is a jointly governed organization to provide for the vocational and special education needs of the students of six participating school districts. The six-member board consists of the superintendent from each of the participating school districts. Students may attend any vocational or special education class offered by any of the six districts. If a student elects to attend a class offered by a school district other than the school district in which the student resides, the School District of residence pays an instructional fee to the school district that offered the class. Hudson City School District serves as the fiscal agent for this agreement, collecting and distributing payments. The Board exercises total control over the operation of the compact, including budgeting, appropriating, contracting and designating management. All revenues are generated from charges for services. Financial information can be obtained by contacting the Treasurer or fiscal agent at 2386 Hudson-Aurora Road, Hudson, Ohio 44236.

B. Fund Accounting

The District uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

GOVERNMENTAL FUNDS

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

The following are the District's major governmental funds:

General fund -The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bond retirement fund - The bond retirement fund is used to account for the accumulation of resources and payment of general obligation bond and principal and interest from governmental resources when the government is obligated in some manner for payment. It is also used to account for the accumulation or resources and payment of general obligation notes payable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The following is a description of the District's proprietary fund:

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District's internal service fund accounts for the medical/surgical and prescription drug self-insurance program.

FIDUCIARY FUNDS

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Custodial funds are used to report fiduciary activity that is not required to be reported in a trust fund. The District has no fiduciary funds.

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

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

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows and all liabilities and deferred inflows associated with the operation of the District are included on the statement of net position.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operation. The principal operating revenues of the District’s internal service fund are charges for services. Operating expenses for the internal service fund include claims and purchased services expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary funds also use the accrual basis of accounting.

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). 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 fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, See Notes 11 and 12 for deferred outflows of resources related the District's net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes 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 of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, See Notes 11 and 12 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position. In addition, deferred inflows of resources include a deferred gain on debt refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue. Unused donated commodities are reported as intergovernmental revenue.

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

E. 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 sets 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 object level within all funds.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

F. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements.

During fiscal year 2022, the District's only investment were STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its 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, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $100 million. STAR Ohio reserves the right to limit the transaction to $250 million, 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.

Under existing Ohio statutes all investment earnings are assigned to the general fund except for those specifically related to the auxiliary services fund, lunch room and trust fund authorized by Board resolution. Interest revenue credited to the general fund during fiscal year 2022 amounted to $27,534, which includes $4,177 assigned from other District funds.

For presentation on the financial statements, 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 District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

An analysis of the District's investments at year end is provided in Note 4.

G. Inventory

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

H. Capital Assets

The 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

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

Description	Governmental Activities Estimated Lives
Buildings and improvements	10 - 75 years
Furniture, fixtures and equipment	5 - 20 years
Vehicles	7 - 15 years
Intangible right to use – leased equipment	5 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds." These amounts are eliminated in the governmental type activities columns of the statement of net position.

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation is attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means.

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

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

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employee who has accumulated unpaid leave is paid.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables and accrued liabilities payable from the internal service fund are reported on the proprietary fund financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, net pension liability, net OPEB liability 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 year. Bonds and other long-term obligations are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extend that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

L. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. Estimates

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

N. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted for trusts and other grants.

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

O. Interfund Activity

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

P. Issuance Costs, Premiums and Accounting Gain on Debt Refunding

On the governmental fund financial statements, issuance costs, bond premiums, and deferred charges from debt refunding are recognized in the current period.

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 10.

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Q. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related 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.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2022.

S. Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2022, the District has implemented GASB Statement No. 87, "*Leases*", GASB Implementation Guide 2019-3, "*Leases*", GASB Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*", GASB Implementation Guide 2020-1, "*Implementation Guide Update - 2020*", GASB Statement No. 92, "*Omnibus 2020*", GASB Statement No. 93, "*Replacement of Interbank Offered Rates*", GASB Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*" and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance 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 District's fiscal year 2022 financial statements. The District recognized $528,797 in governmental activities in leases receivable at July 1, 2021, due to the implementation of GASB 87; however, this entire amount was offset by deferred inflows of resources for leases. The District also recognized $143,162 in governmental activities in lease obligations at July 1, 2021; however, this entire amount was offset by the intangible asset, right to use leased - equipment.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the District.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the District.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the District.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the District.

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the District.

GASB Statement No. 99 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the District.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

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

Nonmajor funds	Deficit
Permanent improvement	$ 675,565
Classroom facilities	200,694
Student wellness and success	3,658
Miscellaneous state grants	6,092
IDEA Part B	85,500
Title I	78,743
Supporting effective instruction	13,539

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the District into three categories.

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

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

Interim 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 may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities 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 that 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 that 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;

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 items in (1) and (2) above 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, the State Treasury Asset Reserve of Ohio (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.

Protection of the 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.

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

A. Cash on Hand

At fiscal year-end, the District had $4,970 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and cash equivalents".

B. Deposits with Financial Institutions

At June 30, 2022, the carrying amount of all District deposits was $6,214,377 and the bank balance of all District deposits was $6,479,702. Of the bank balance, $250,000 was covered by the FDIC and $6,229,702 was covered by the Ohio Pooled Collateral System (OPCS).

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2022, the District's financial institution was approved for a reduced collateral rate through the OPCS of 50 percent. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

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

Investment type	Measurement Value	Investment Maturities 6 months or less
Amortized cost:		
STAR Ohio	$ 6,387,993	$ 6,387,993

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: Standard & Poor's has assigned STAR Ohio an AAAm money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State Statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's investment policy does not specifically address custodial credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2022:

Investment type	Measurement Value	% to Total
Amortized cost:		
STAR Ohio	$ 6,387,993	100.00

D. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2022:

Cash and investments per note	
Carrying amount of deposits	$ 6,214,377
Investments	6,387,993
Cash on hand	4,970
Total	$ 12,607,340
Cash and cash equivalents per statement of net position	
Governmental activities	$ 12,607,340

NOTE 5 - INTERFUND TRANSACTIONS

Interfund balances at June 30, 2022, as reported on the fund financial statements, consist of the following amount due to/from other funds:

Receivable fund	Payable funds	Amount
General fund	Nonmajor special revenue funds	$ 595,718
Nonmajor special revenue funds	Nonmajor special revenue funds	1,537
Nonmajor special revenue funds	General fund	17,426
Total due to/due from other funds		$ 614,681

The primary purpose of the $552,803 due to/from other funds is to cover the negative cash balances at fiscal year-end. The interfund balance will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

The purpose of the remaining $61,878 due to/from other funds was to cover fiscal year 2022 allowable expenditures received in fiscal year 2023 that were moved between various funds.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. 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 35 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. Public utility property tax revenues received in calendar year 2022 represent the collection of calendar year 2021 taxes. Public utility real and 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 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Summit and Portage Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2022, are available to finance fiscal year 2022 operations. The amount available as an advance at June 30, 2022 was $1,575,701 in the general fund, $234,986 in the bond retirement fund and $33,211 in the permanent improvement (a nonmajor capital projects fund). This amount is recorded as revenue. The amount available for advance at June 30, 2021 was $1,674,163 in the general fund, $264,313 in the bond retirement fund and $35,224 in the permanent improvement (a nonmajor capital projects fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

NOTE 6 - PROPERTY TAXES - (Continued)

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

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

	2021 Second Half Collections		2022 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 490,867,540	98.38	$ 493,630,480	98.30
Public utility personal	8,066,850	1.62	8,526,470	1.70
Total	$ 498,934,390	100.00	$ 502,156,950	100.00
Tax rate per $1,000 of assessed valuation	$ 80.46		$ 80.03	

NOTE 7 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Community Reinvestment Areas

The City of Tallmadge provides tax abatements through the Tallmadge Community Reinvestment Area (CRA).

Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

The tax abatement agreements entered into by the City of Tallmadge under the CRA program affect the property tax receipts collected and distributed to the District. Under these agreements, the District property taxes were reduced by $622,118 for fiscal year 2022.

NOTE 8 - RECEIVABLES

Receivables at June 30, 2022 consisted of taxes, payment in lieu of taxes, accounts (billings for user charged services and student fees), accrued interest, lease and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

NOTE 8 - RECEIVABLES - (Continued)

A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:	
Property taxes	$ 22,590,010
Payment in lieu of taxes	132,927
Accounts	10
Accrued interest	8,933
Lease	1,045,337
Intergovernmental:	
Medicaid school program receivable	19,473
State foundation - FTE adjustments	2,632
Food service	156,379
Emergency connectivity	18,920
Miscellaneous state grants	16,618
IDEA Part B	90,252
Title I	74,182
Miscellaneous federal grants	23,244
OFCC receivable	157,721
SERS true-up	7,484
Total intergovernmental receivables	$ 566,905

Receivables have been disaggregated on the face of the financial statements. All receivables, except property taxes, the OFCC intergovernmental receivable, and the lease receivable are expected to be collected within one year. Property taxes although ultimately collectible, include some portion of delinquencies that will not be collected within one year. The OSFC intergovernmental receivable of $157,721 will be collected over the duration of the construction project. The lease receivable of $1,045,337 will be collected over the duration of the lease agreement.

NOTE 9 - CAPITAL ASSETS

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the District recognized $143,162 in governmental activities in lease obligations at July 1, 2021; however, this entire amount was offset by the intangible asset, right to use leased - equipment.

NOTE 9 - CAPITAL ASSETS - (Continued)

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

	Balance 06/30/21	Additions	Disposals	Balance 06/30/22
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 3,716,335	$ -	$ -	$ 3,716,335
Construction in progress	-	805,048	-	805,048
Total capital assets, not being depreciated/amortized	3,716,335	805,048	-	4,521,383
Capital assets, being depreciated/amortized:				
Buildings and improvements	92,548,632	289,845	(832,348)	92,006,129
Furniture, fixtures and equipment	2,564,179	404,216	(8,657)	2,959,738
Vehicles	839,886	-	(179,160)	660,726
Intangible right to use:				
Leased equipment	143,162	-	-	143,162
Total capital assets, being depreciated/amortized	96,095,859	694,061	(1,020,165)	95,769,755
Less: accumulated depreciation/amortization:				
Buildings	(9,883,999)	(1,236,420)	692,624	(10,427,795)
Furniture, fixtures and equipment	(2,293,783)	(94,387)	3,896	(2,384,274)
Vehicles	(758,463)	(5,928)	179,160	(585,231)
Intangible right to use:				
Leased equipment	-	(81,807)	-	(81,807)
Total accumulated depreciation/amortization	(12,936,245)	(1,418,542)	875,680	(13,479,107)
Governmental activities capital assets, net	$ 86,875,949	$ 80,567	$ (144,485)	$ 86,812,031

Depreciation/amortization expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 707,539
Special	126,662
Vocational	52,581
Support services:	
Pupil	44,599
Instructional staff	22,900
Administration	55,943
Fiscal	744
Business	108
Operations and maintenance	189,762
Pupil transportation	2,419
Other non-instructional services	5,736
Food service operations	33,016
Extracurricular activities	176,533
Total depreciation/amortization expense	$ 1,418,542

NOTE 10 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 87 (see Note 3.A for detail), the District recognized $143,162 in governmental activities in lease obligations at July 1, 2021; however, this entire amount was offset by the intangible asset, right to use leased - equipment. The District has also reported a lease obligation at July 1, 2021, which was reported in the prior year as a capital lease obligation.

The District's long-term obligations activity during fiscal year 2022 consisted of the following:

	Balance 06/30/21	Additions	Reductions	Balance 06/30/22	Amounts Due in One Year
Governmental activities:					
General obligation bonds:					
Series 2012, refunding school facilities bonds					
Capital appreciation	$ 39,489	$ -	$ -	$ 39,489	$ -
Accreted interest	231,891	68,102	-	299,993	-
Series 2018, refunding school facilities bonds					
Current interest	8,875,000	-	(1,110,000)	7,765,000	1,155,000
Series 2020, refunding school facilities bonds					
Direct placement					
Current interest	7,440,000	-	(120,000)	7,320,000	125,000
Series 2017-1, classroom facilities and school improvement bonds					
Current interest	26,400,000	-	(16,310,000)	10,090,000	385,000
Series 2017-2A, classroom facilities and school improvement bonds					
Current interest	7,130,000	-	(30,000)	7,100,000	30,000
Series 2017-2B, classroom facilities and school improvement bonds					
Current interest	2,010,000	-	-	2,010,000	-
Series 2021, refunding school facilities bonds					
Current interest	-	15,625,000	-	15,625,000	-
Capital appreciation	-	303,934	-	303,934	176,248
Accreted interest	-	53,321	-	53,321	30,365
Total general obligation bonds	52,126,380	16,050,357	(17,570,000)	50,606,737	1,901,613
Compensated absences	3,048,769	524,775	(313,381)	3,260,163	351,950
Lease obligations	305,231	-	(160,161)	145,070	145,070
Net pension liability	32,909,343	-	(15,028,175)	17,881,168	-
Net OPEB liability	2,552,306	-	(339,181)	2,213,125	-
Total long-term obligations, governmental activities	90,942,029	16,575,132	(33,410,898)	74,106,263	2,398,633
Add: Unamortized premium on bonds	1,120,440	1,915,165	(271,066)	2,764,539	
Total on the statement of net position	$ 92,062,469	$ 18,490,297	$ (33,681,964)	$ 76,870,802	

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

A. General Obligation Bonds

The District has seven outstanding general obligation bond issues at June 30, 2022. These bonds were issued for general governmental activities, specifically; construction, and/or renovation of school buildings, and the advance refunding of previous issues. These general obligation bonds are direct obligations of the district for which its full faith, credit, and resources are pledged and payable from taxes levied on all taxable property in the school district. Accordingly, such unmatured obligations of the District are accounted for in the statement of net position. Payments of principal and interest relating to these bonds are recorded as expenditures in the District's bond retirement fund.

Series 2012 Refunding School Facilities Bonds
On October 24, 2012, the District issued general obligation bonds in the amount of $8,569,489 to advance refund a portion of the 2005 school facilities bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds at June 30, 2022, is $7,590,000.

The current interest bonds were partially refunded in the amount of $1,710,000 with proceeds from the Series 2018 refunding bonds. The difference in the amount refunded and the refunding for the 2018 refunding bonds is $115,000. The remaining current interest bonds were refunded in the amount of $6,115,000 with proceeds from the Series 2020 refunding bonds during fiscal year 2021.

At June 30, 2022, the debt issue is comprised of capital appreciation bonds (par value $39,489). The interest rate on the current interest bonds is 2.00-4.00 percent. The capital appreciation bonds mature December 1, 2028 (approximate initial offering yield at maturity of 3.00 percent), at a redemption price equal to 100 percent of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is $1,455,000. Total accreted interest of $299,993 has been included in the statement of net position.

Series 2013 Refunding School Facilities Bonds
On April 23, 2013, the District issued general obligation bonds in the amount of $14,684,991 to advance refund the remaining outstanding 2005 school facilities bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds at June 30, 2022, is $7,840,000.

The current interest bonds were partially refunded in the amount of $7,540,000 with proceeds from the Series 2018 refunding bonds. The difference in the amount refunded and the refunding for the 2018 refunding bonds is $260,000. The remaining current interest bonds were refunded in the amount of $2,530,000 with proceeds from the Series 2020 refunding bonds during fiscal year 2021.

Series 2017-1 Classroom Facilities and School Improvement Bonds
On May 11, 2017, the District issued $28,345,000, in school facilities construction and improvement general obligation bonds, Series 2017-1. The bonds were issued to retire the Series 2017 classroom facilities and school improvement notes, which were issued for the purpose of constructing, improving, furnishing and equipping new elementary and middle school buildings and athletic buildings and facilities, and renovating, clearing, improving, and equipping their sites. At June 30, 2022, the debt issue is comprised of current interest serial bonds (par value $1,240,000) and current interest term bonds (par value $8,850,000). The interest rate on the current interest serial bonds ranges from 2.00-4.00 percent and the interest rate on the current interest term bonds ranges from 3.375-5.00 percent. The Series 2017-1 bonds have been rated in conjunction with the District's participation in the Ohio Credit Enhancement Program.

The current interest term bonds were partially refunded in the amount of $15,935,000 with proceeds from the Series 2021 refunding bonds. The difference in the amount refunded and the refunding for the 2021 refunding bonds is $310,000.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Interest payments on the bonds are due on April 1 and October 1 of each year. The final maturity stated in the issue for the current interest serial bonds and current interest term bonds is October 1, 2024 and October 1, 2047, respectively.

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

Fiscal Year	2036 Term Bonds	2044 Term Bonds	2047 Term Bonds
2025	$ 10,000	$ -	$ -
2026	10,000	-	-
2027	10,000	-	-
2028	10,000	-	-
2029	10,000	-	-
2030	10,000	-	-
2031	10,000	-	-
2032	10,000	-	-
2033	10,000	-	-
2034	10,000	-	-
2035	10,000	-	-
2036	25,000	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	1,295,000	-
2043	-	1,350,000	-
2044	-	1,400,000	-
2045	-	-	1,500,000
2046	-	-	1,555,000
2047	-	-	1,615,000
2048	-	-	-
2049	-	-	-
2050	-	-	-
2051	-	-	-
2052	-	-	-
2053	-	-	-
	$ 135,000	$ 4,045,000	$ 4,670,000

Series 2017-2A Classroom Facilities and School Improvement Bonds

On May 31, 2017, the District issued $7,400,000, in school facilities construction and improvement general obligation bonds, Series 2017-2A. The bonds were issued to retire a portion of the $9,900,000 Series 2016 classroom facilities and school improvement notes, which were issued for the purpose of constructing, improving, furnishing and equipping new elementary and middle school buildings and renovating, clearing, improving, and equipping their sites. At June 30, 2022, the debt issue is comprised of current interest serial bonds (par value $765,000) and current interest term bonds (par value $6,335,000). The interest rate on the current interest serial bonds ranges from 2.00-4.00 percent and the interest rate on the current interest term bonds ranges from 3.10-4.00 percent. The Series 2017-2A bonds have been rated in conjunction with the District's participation in the Ohio Credit Enhancement Program.

Interest payments on the bonds are due on April 1 and October 1 of each year. The final maturity stated in the issue for the current interest serial bonds and current interest term bonds is October 1, 2030 and October 2037, respectively.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

Fiscal Year	2029 Term Bonds	2037 Term Bonds
2028	$ 130,000	$ -
2029	610,000	-
2030	-	-
2031	-	700,000
2032	-	720,000
2033	-	780,000
2034	-	805,000
2035	-	830,000
2036	-	880,000
2037	-	880,000
	$ 740,000	$ 5,595,000

Series 2017-2B Classroom Facilities and School Improvement Bonds
On May 31, 2017, the District issued $2,110,000, in school facilities construction and improvement general obligation bonds, Series 2017-2B. The bonds were issued to retire a portion of the $9,900,000 Series 2016 classroom facilities and school improvement notes, which were issued for the purpose of constructing, improving, furnishing and equipping new elementary and middle school buildings and renovating, clearing, improving, and equipping their sites. At June 30, 2022, the debt issue is comprised of current interest serial bonds (par value $2,010,000). The interest rate on the current interest serial bonds ranges from 2.00-4.00 percent. The Series 2017-2B bonds have not been rated in conjunction with the District's participation in the Ohio Credit Enhancement Program.

Interest payments on the bonds are due on April 1 and October 1 of each year. The final maturity stated in the issue for the current interest serial bonds is October 1, 2028.

Series 2018 Refunding School Facilities Bonds
On October 18, 2018, the District issued general obligation bonds in the amount of $8,875,000 to refund a portion of the 2012 and 2013 school facilities refunding bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The remaining portions of the 2012 and 2013 school facilities refunding bonds were refunded with the proceeds from the Series 2020 refunding school facilities bonds. The balance of the 2012 and 2013 refunded bonds at June 30, 2022, is $1,710,000 and $6,400,000, respectively.

At June 30, 2022, the debt issue is comprised of current interest serial bonds (par value $4,835,000) and current interest term bonds (par value $2,930,000). The interest rate on the current interest serial bonds ranges from 2.75-4.00 percent and the interest rate on the current interest term bonds is 4.00 percent. The net carrying amount exceeded the reacquisition price of the old debt by $244,303. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This refunding was undertaken to reduce the combined total debt service payments through December 1, 2029 by $495,172 and resulted in a net present value economic gain of $413,126.

Interest payments on the bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2029.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Series 2020 Refunding School Facilities Bonds
On September 23, 2020, the District issued general obligation bonds through direct placement in the amount of $8,645,000 to refund the remaining portion of the 2012 and 2013 school facilities refunding bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the 2012 and 2013 refunded bonds at June 30, 2022, is $5,880,000 and $1,440,000, respectively.

At June 30, 2022, the debt issue is comprised of current interest term bonds (par value $7,440,000). The interest rate on the current interest term bonds is 1.72 percent. The reacquisition price of the old debt exceeded the net carrying amount by $195,094. This gain is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This refunding was undertaken to reduce the combined total debt service payments through December 1, 2032 by $995,612 and resulted in a net present value economic gain of $901,984.

Interest payments on the bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2032.

The refunding bonds were issued through Truist Bank and are considered a direct placement. Direct placements occur when the District issues a debt security directly to an investor. Direct placements have terms negotiated directly with the investor and are not offered for public sale.

Series 2021 Refunding School Facilities Bonds
On December 15, 2021, the District issued general obligation bonds in the amount of $15,928,934 to refund a portion of the series 2017-1 school facilities refunding bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the series 2017-1 refunded bonds at June 30, 2022, is $15,935,000.

At June 30, 2022, the debt issue is comprised of current interest serial bonds (par value $150,000), current interest term bonds (par value $15,475,000) and capital appreciation bonds (par value $303,934). The interest rate on the current interest serial bond is 2.29 percent and the interest rate on the current interest term bonds ranges from 2.49-3.30 percent. The net carrying amount exceeded the reacquisition price of the old debt by $1,475,199. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This refunding was undertaken to reduce the combined total debt service payments through October 1, 2053 by $1,709,559 and resulted in a net present value economic gain of $974,585.

The capital appreciation bonds mature October 1, 2040 at a redemption price equal to 100 percent of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is $1,210,000. Total accreted interest of $53,321 has been included in the statement of net position.

Interest payments on the bonds are due on April 1 and October 1 of each year. The final maturity stated in the issue is October 1, 2053.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the future debt service requirements to maturity for the general obligation bonds.

	Current Interest Bonds			Capital Appreciation Bonds		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2023	$ 1,695,000	$ 1,679,738	$ 3,374,738	$ 176,248	$ 93,752	$ 270,000
2024	1,730,000	1,621,101	3,351,101	55,563	94,437	150,000
2025	1,845,000	1,556,676	3,401,676	31,529	118,471	150,000
2026	1,900,000	1,488,444	3,388,444	17,890	132,110	150,000
2027	1,980,000	1,412,563	3,392,563	10,152	139,848	150,000
2028-2032	9,710,000	6,094,644	15,804,644	52,001	2,147,999	2,200,000
2033-2037	6,615,000	4,620,636	11,235,636	-	-	-
2038-2042	4,205,000	3,868,593	8,073,593	40	1,619,960	1,620,000
2043-2047	7,410,000	2,873,904	10,283,904	-	-	-
2048-2052	8,845,000	1,403,721	10,248,721	-	-	-
2053-2054	3,975,000	132,248	4,107,248	-	-	-
Total	$ 49,910,000	$ 26,752,268	$ 76,662,268	$ 343,423	$ 4,346,577	$ 4,690,000

B. Other Long-Term Obligations

Compensated Absences
Compensated absences will be paid from the fund from which the person is paid, which, is primarily the general fund.

Net Pension Liability and Net OPEB Liability/Asset
The District pays obligations related to employee compensation from the fund benefitting their service. See Notes 11 and 12 to the notes to the basic financial statements for details.

Lease Obligations
On June 14, 2019, the District entered into a lease obligation agreement for chrome books with VAR Technology Finance for a term of 49 months. Payments are due annually and the lease matures on August 20, 2019. The lease of $321,792 was not capitalized due to the individual chrome books being below the capitalization threshold. Lease payments have been reclassified as debt service expenditures in the basic financial statements for the general fund. These expenditures are reported as function expenditures on the budgetary statements.

On March 21, 2018, the District entered into a lease obligation agreement for copiers with ComDoc for a term of 60 months. Payments are due monthly and the lease matures on March 31, 2023. In accordance with GASB Statement No. 87, the District has reported an intangible capital asset and corresponding liability for the future scheduled payments under the lease agreement. Lease payments have been reclassified and are reflected as debt service expenditures on the fund financial statements. These expenditures are reported as function expenditures on the budgetary statements.

The following is a summary of the future debt service requirements to maturity for the lease obligations.

	Lease Obligations		
Fiscal Year	Principal	Interest	Total
2023	$ 145,070	$ 4,867	$ 149,937

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

C. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9 percent of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1 percent of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1 percent of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.

Ohio Revised Code Section 133.06(I) provides that a school district may incur indebtedness in excess of the 9 percent limitation when necessary to raise the school district's portion of the basic project cost and any additional funds necessary to participate in a project under Chapter 3318 of the Ohio Revised Code, including the cost of items designated by the OSFC as required locally funded initiatives, the cost of other locally funded initiatives in an amount that does not exceed 50 percent of the school district's portion of the basic project cost, and the cost for site acquisition. As a result, any portion of the otherwise nonexempt debt authorized by the District voters at the election on November 8, 2016, in excess of the 9 percent limitation is exempted from that limitation. At June 30, 2022, the District's voted legal debt margin was $0 and the unvoted legal debt margin was $502,157.

NOTE 11 - 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/asset and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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

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

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Plan Description - School Employees Retirement System (SERS)

Plan Description - The District's 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, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org 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 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; or 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% for the first thirty years of service and 2.5% 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 was 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% and with a floor of 0%. In 2021, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2022.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The District's contractually required contribution to SERS was $577,456 for fiscal year 2022. Of this amount, $26,577 is reported as intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0% to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year of service credit and age 65, or 35 years of service credit and at least age 60.

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

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% 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% of the 14% member rate goes to the DC Plan and the remaining 2% 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 after termination of employment at age 50 and after termination of employment.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 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% was equal to the statutory maximum rates. For fiscal year 2022, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was $1,872,585 for fiscal year 2022. Of this amount, $312,540 is reported as 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 District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.11320450%	0.10506404%	
Proportion of the net pension liability current measurement date	0.11346250%	0.10710809%	
Change in proportionate share	0.00025800%	0.00204405%	
Proportionate share of the net pension liability	$ 4,186,437	$ 13,694,731	$ 17,881,168
Pension expense	$ (83,779)	$ (357,046)	$ (440,825)

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 403	$ 423,102	$ 423,505
Changes of assumptions	88,154	3,799,165	3,887,319
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	29,564	326,378	355,942
Contributions subsequent to the measurement date	577,456	1,872,585	2,450,041
Total deferred outflows of resources	$ 695,577	$ 6,421,230	$ 7,116,807

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 108,571	$ 85,837	$ 194,408
Net difference between projected and actual earnings on pension plan investments	2,156,138	11,802,239	13,958,377
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	944,003	944,003
Total deferred inflows of resources	$ 2,264,709	$ 12,832,079	$ 15,096,788

$2,450,041 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (504,766)	$ (2,217,088)	$ (2,721,854)
2024	(467,367)	(1,883,928)	(2,351,295)
2025	(512,651)	(1,924,496)	(2,437,147)
2026	(661,804)	(2,257,922)	(2,919,726)
Total	$ (2,146,588)	$ (8,283,434)	$ (10,430,022)

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

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

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.50%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.50% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.50%
Actuarial cost method	Entry age normal (level percent of payroll)

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

In the prior measurement date, the mortality rates 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% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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 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 a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 6,965,203	$ 4,186,437	$ 1,842,982

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation are presented below:

	June 30, 2021	June 30, 2020
Inflation	2.50%	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.45%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.45%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2021, actuarial valuation, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% 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 Ohio's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

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

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate **-** The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio'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 pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate **-** The following table represents the net pension liability as of June 30, 2021, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 25,645,107	$ 13,694,731	$ 3,596,690

Changes Between Measurement Date and Reporting Date **-** STRS approved a one-time 3.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2022. It is unknown what the effect this change will have on the net pension liability.

NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

Plan Description - School Employees Retirement System (SERS)

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

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2022, SERS did not allocate any employer contributions to post-employment 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% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the District's surcharge obligation was $72,348.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $72,348 for fiscal year 2022. Of this amount, $72,348 is reported as intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% 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/Assets, 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/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.11743770%	0.10506404%	
Proportion of the net OPEB liability/asset current measurement date	0.11693680%	0.10710809%	
Change in proportionate share	-0.00050090%	0.00204405%	
Proportionate share of the net OPEB liability	$ 2,213,125	$ -	$ 2,213,125
Proportionate share of the net OPEB asset	$ -	$ (2,258,286)	$ (2,258,286)
OPEB expense	$ (23,685)	$ (164,242)	$ (187,927)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 23,588	$ 80,411	$ 103,999
Changes of assumptions	347,189	144,249	491,438
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	50,104	4,067	54,171
Contributions subsequent to the measurement date	72,348	-	72,348
Total deferred outflows of resources	$ 493,229	$ 228,727	$ 721,956

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 1,102,236	$ 413,760	$ 1,515,996
Net difference between projected and actual earnings on OPEB plan investments	48,082	625,957	674,039
Changes of assumptions	303,069	1,347,233	1,650,302
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	51,202	25,937	77,139
Total deferred inflows of resources	$ 1,504,589	$ 2,412,887	$ 3,917,476

$72,348 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2023.

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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	$ (249,997)	$ (623,337)	$ (873,334)
2024	(250,335)	(607,676)	(858,011)
2025	(244,624)	(599,516)	(844,140)
2026	(200,967)	(265,852)	(466,819)
2027	(102,736)	(90,010)	(192,746)
Thereafter	(35,049)	2,231	(32,818)
Total	$ (1,083,708)	$ (2,184,160)	$ (3,267,868)

Actuarial Assumptions - SERS

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

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

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

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NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.50% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	1.92%
Prior measurement date	2.45%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	2.27%
Prior measurement date	2.63%
Medical trend assumption:	
Current measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%
Prior measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%

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

In the prior measurement date, the mortality rates 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% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

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

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

Sensitivity of the 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, what the 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 the 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 (6.75% decreasing to 4.40%).

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 2,742,329	$ 2,213,125	$ 1,790,358

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 1,703,925	$ 2,213,125	$ 2,893,260

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation, compared with June 30, 2020, are presented below:

	June 30, 2021		June 30, 2020	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.00%	4.00%	5.00%	4.00%
Medicare	-16.18%	4.00%	-6.69%	4.00%
Prescription Drug				
Pre-Medicare	6.50%	4.00%	6.50%	4.00%
Medicare	29.98%	4.00%	11.87%	4.00%

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 Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% 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 Tables with 90% of rates for males and 100% 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.

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Assumption Changes Since the Prior Measurement Date - The discount rate was adjusted to 7.00% from 7.45% for the June 30, 2021 valuation.

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

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

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

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

Discount Rate - The discount rate used to measure the total OPEB asset was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed STRS Ohio 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 fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2021.

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 1,905,645	$ 2,258,286	$ 2,552,866

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 2,540,929	$ 2,258,286	$ 1,908,772

NOTE 13 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn three to twenty-five days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. A percentage of unused sick time is paid at retirement. All employees who are eligible to retire will receive a severance benefit upon retirement limited to 25 percent of the accumulated sick leave to a maximum pay out of seventy days for certified employees and sixty-eight days for classified employees. The maximum payout in days is determined by their individual contracts.

B. Life Insurance

The District provides life insurance and accidental death and dismemberment insurance to most employees.

NOTE 14 - RISK MANAGEMENT

A. Property and Liability

The 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. These risks are covered by commercial insurance purchased from independent third parties. The following is a summary of the District's insurance coverage with Todd & Associates, Inc. as of June 30, 2022:

Coverage	Amount
Buildings and Contents - Replacement Costs	$ 110,869,236
Inland Marine	65,000
Boiler and Machinery	50,000,000
Crime Insurance	1,000,000
Automobile Liability	1,000,000
Flood and Earthquake	1,000,000
Uninsured Motorists	75,000
General Liability:	
Per Occurrence	1,000,000
Total Per Year	3,000,000

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

All employees of the District are covered by a blanket bond, while certain individuals in policy making roles are covered by separate, higher limit bond coverage.

B. Medical/Surgical, Prescription Drug and Dental Insurance

As of January 1, 2015, the District uses an internal service fund to record and report its self-funded health care insurance program. Premium rates are set based on an annual review process with the District's insurance consultant.

The District purchases specific and aggregate stop loss coverage to limit liability for health claims. However, the District still purchases a fully funded program from Delta Dental for dental coverage.

NOTE 14 - RISK MANAGEMENT - (Continued)

The claims liability of $293,600 reported in the internal service fund at June 30, 2022 is based on the requirements of GASB Statement No. 30 “Risk Financing Omnibus”, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. The District purchases specific and aggregate stop loss coverage to limit liability for health claims. However, the District still purchases a fully funded program from Delta Dental for dental coverage. Changes in the fund’s claims liability in 2022 was:

Fiscal Year	Beginning Balance	Current Year Claims	Claims Payments	Ending Balance
2022	$ 347,600	$ 2,960,285	$ 3,014,285	$ 293,600
2021	326,200	3,065,978	3,044,578	347,600

C. Workers’ Compensation

For fiscal year 2022, the District participated in the Sheakley UniServe Workers’ Compensation Group Retrospective Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. Under the GRP, the participating districts continues to pay their own individual premiums and have the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending upon that performance, the participating districts receive either a premium refund or an assessment. The participating districts pay an experience- or base-rated premium under the same terms as if they were not in a retrospective group. The group-retrospective premiums are recalculated twelve months after the end of the policy year and the recalculated premium is compared to the standard premium. If the retrospective premium is lower than the standard premium, the participating districts receive a refund. If the retrospective premium is higher than the standard premium, the participating districts are charged an assessment. Participation in the GRP is limited to school districts that can meet the GRP’s selection criteria. The firm of Sheakley UniServe provides administrative, cost control and actuarial services to the GRP.

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

(d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,

(e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance

	General fund
Budget basis	$ (1,855,038)
Net adjustment for revenue accruals	64,863
Net adjustment for expenditure accruals	535,878
Net adjustment for other sources/uses	(124,196)
Funds budgeted elsewhere *	(480)
Adjustment for encumbrances	1,841,244
GAAP basis	$ 462,271

*Certain funds that are legally budgeted in separate special revenue and custodial funds are considered part of the general fund on a GAAP basis. This includes the uniform school supplies, rotary, public school support, unclaimed monies and underground storage tank funds.

NOTE 16 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by 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 fiscal year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future fiscal years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

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

	Capital Improvements
Set-aside balance June 30, 2021	$ -
Current fiscal year set-aside requirement	423,350
Current fiscal year offsets	(392,839)
Prior year offset from bond proceeds	(30,511)
Total	$ -
Balance carried forward to fiscal year 2023	$ -
Set-aside balance June 30, 2022	$ -

NOTE 16 - SET-ASIDES - (Continued)

The District has qualifying disbursements during the fiscal year that reduced the capital improvements set-aside amount to below zero. The negative set-aside balance for the capital improvements may not be used to reduce the set-aside requirements of future years. This negative balance is therefore not presented as being carried forward to future years. The District is responsible for tracking the amount of bond proceeds that may be used as an offset in future periods, which was $37,293,353 at June 30, 2022.

NOTE 17 - OTHER COMMITMENTS

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

Fund	Fiscal Year-End Encumbrances
General	$ 1,760,123
Other governmental	347,944
Total	$ 2,108,067

NOTE 18 - CONTINGENCIES

A. Grants

The 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. This also encompasses the Auditor of State's ongoing review of student attendance data; however, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2022, if applicable, cannot be determined at this time.

B. Litigation

The District is involved in no pending litigation that would have a material effect on the financial condition of the District.

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2022 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

NOTE 19 - COVID-19

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

NOTE 20 – OHIO COMPLIANCE

Contrary to ORC 5705.39, the District had funds in which appropriations exceeded estimated resources.

Contrary to ORC 5705.41(D), the District made expenditures prior to certification.

REQUIRED SUPPLEMENTARY INFORMATION

TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST NINE FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net pension liability	0.11346250%	0.11320450%	0.11177890%	0.11377420%
District's proportionate share of the net pension liability	$ 4,186,437	$ 7,487,584	$ 6,687,928	$ 6,516,059
District's covered payroll	$ 3,915,350	$ 4,009,314	$ 3,827,504	$ 3,806,326
District's proportionate share of the net pension liability as a percentage of its covered payroll	106.92%	186.75%	174.73%	171.19%
Plan fiduciary net position as a percentage of the total pension liability	82.86%	68.55%	70.85%	71.36%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
0.11375570%	0.11754120%	0.11905320%	0.12394500%	0.12394500%
$ 6,796,652	$ 8,602,931	$ 6,793,291	$ 6,272,786	$ 7,370,364
$ 3,663,236	$ 3,009,090	$ 2,847,473	$ 2,799,257	$ 2,846,575
185.54%	285.90%	238.57%	224.09%	258.92%
69.50%	62.98%	69.16%	71.70%	65.52%

TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST NINE FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net pension liability	0.10710809%	0.10506404%	0.11055075%	0.11277682%
District's proportionate share of the net pension liability	$ 13,694,731	$ 25,421,759	$ 24,447,634	$ 24,797,091
District's covered payroll	$ 13,523,464	$ 12,611,757	$ 12,906,607	$ 12,996,721
District's proportionate share of the net pension liability as a percentage of its covered payroll	101.27%	201.57%	189.42%	190.79%
Plan fiduciary net position as a percentage of the total pension liability	87.78%	75.48%	77.40%	77.31%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
0.11339407%	0.11319513%	0.11113764%	0.11015718%	0.11015718%
$ 26,937,004	$ 37,889,822	$ 30,715,193	$ 26,794,038	$ 31,916,200
$ 12,441,293	$ 12,174,936	$ 11,797,393	$ 11,506,985	$ 11,650,538
216.51%	311.21%	260.36%	232.85%	273.95%
75.30%	66.80%	72.10%	74.70%	69.30%

TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 577,456	$ 548,149	$ 561,304	$ 516,713
Contributions in relation to the contractually required contribution	(577,456)	(548,149)	(561,304)	(516,713)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,124,686	$ 3,915,350	$ 4,009,314	$ 3,827,504
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014	2013
$ 513,854	$ 512,853	$ 396,598	$ 390,958	$ 387,977	$ 393,966
(513,854)	(512,853)	(396,598)	(390,958)	(387,977)	(393,966)
$ -	$ -	$ -	$ -	$ -	$ -
$ 3,806,326	$ 3,663,236	$ 3,009,090	$ 2,847,473	$ 2,799,257	$ 2,846,575
13.50%	14.00%	13.18%	13.73%	13.86%	13.84%

TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 1,872,585	$ 1,893,285	$ 1,765,646	$ 1,806,925
Contributions in relation to the contractually required contribution	(1,872,585)	(1,893,285)	(1,765,646)	(1,806,925)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 13,375,607	$ 13,523,464	$ 12,611,757	$ 12,906,607
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014	2013
$ 1,819,541	$ 1,741,781	$ 1,704,491	$ 1,651,635	$ 1,495,908	$ 1,514,570
(1,819,541)	(1,741,781)	(1,704,491)	(1,651,635)	(1,495,908)	(1,514,570)
$ -	$ -	$ -	$ -	$ -	$ -
$ 12,996,721	$ 12,441,293	$ 12,174,936	$ 11,797,393	$ 11,506,985	$ 11,650,538
14.00%	14.00%	14.00%	14.00%	13.00%	13.00%

TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST SIX FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net OPEB liability	0.11693680%	0.11743770%	0.11436310%	0.11525110%
District's proportionate share of the net OPEB liability	$ 2,213,125	$ 2,552,306	$ 2,875,991	$ 3,197,377
District's covered payroll	$ 3,915,350	$ 4,009,314	$ 3,827,504	$ 3,806,326
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	56.52%	63.66%	75.14%	84.00%
Plan fiduciary net position as a percentage of the total OPEB liability	24.08%	18.17%	15.57%	13.57%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017
0.11516320%	0.11855788%
$ 3,090,678	$ 3,379,338
$ 3,663,236	$ 3,009,090
84.37%	112.30%
12.46%	11.49%

TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SIX FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net OPEB liability/asset	0.10710809%	0.10506404%	0.11055075%	0.11277682%
District's proportionate share of the net OPEB liability/(asset)	$ (2,258,286)	$ (1,846,500)	$ (1,830,985)	$ (1,812,208)
District's covered payroll	$ 13,523,464	$ 12,611,757	$ 12,906,607	$ 12,996,721
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	(16.70%)	(14.64%)	(14.19%)	(13.94%)
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.73%	182.10%	174.70%	176.00%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017	
	0.11339407%		0.11319513%
$	4,424,218	$	6,053,705
$	12,441,293	$	12,174,936
	35.56%		49.72%
	47.10%		37.30%

TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ 72,348	$ 74,854	$ 75,282	$ 88,059
Contributions in relation to the contractually required contribution	(72,348)	(74,854)	(75,282)	(88,059)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,124,686	$ 3,915,350	$ 4,009,314	$ 3,827,504
Contributions as a percentage of covered payroll	1.75%	1.91%	1.88%	2.30%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014	2013
$ 80,528	$ 61,506	$ 20,963	$ 20,665	$ 64,186	$ 65,017
(80,528)	(61,506)	(20,963)	(20,665)	(64,186)	(65,017)
$ -	$ -	$ -	$ -	$ -	$ -
$ 3,806,326	$ 3,663,236	$ 3,009,090	$ 2,847,473	$ 2,799,257	$ 2,846,575
2.12%	1.68%	0.70%	0.73%	2.29%	2.28%

TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2022	2021	2020	2019
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 13,375,607	$ 13,523,464	$ 12,611,757	$ 12,906,607
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014	2013
$ -	$ -	$ -	$ -	$ 115,070	$ 116,505
-	-	-	-	(115,070)	(116,505)
$ -	$ -	$ -	$ -	$ -	$ -
$ 12,996,721	$ 12,441,293	$ 12,174,936	$ 11,797,393	$ 11,506,985	$ 11,650,538
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.

(Continued)

PENSION (CONTINUED)

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2022.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% 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 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) 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 and (e) 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 following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS.

Tallmadge City School District
Summit County
486 East Avenue
Tallmadge, Ohio 44278

To the Board of Education:

We have audited, in accordance with auditing standards general accepted in the United States and 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 Tallmadge City School District, Summit County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 8, 2022. We also noted the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the District.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tallmadge City School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tallmadge City School District's financial statements are free of 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 and 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 Standard*s.

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.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
December 8, 2022

WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Tallmadge City School District
Summit County
486 East Avenue
Tallmadge, Ohio 44278

To the Board of Education:

Report on Compliance for Each Major Federal Program

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

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

Basis of 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; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States' (*Government Auditing Standard)s*, 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 Tallmadge City School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Tallmadge City School District's compliance with the compliance requirement referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Tallmadge City School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, 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 Tallmadge City School District's compliance with the requirements of the major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or to 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 misstatement in internal control over compliance, yet important enough to merit attentions by those charged with governance.

Our consideration of the 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 exists 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 based on the requirement of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
December 8, 2022

TALLMADGE CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS
2 CFR SECTION 200.515
June 30, 2022

1. Summary of Auditor's Results

(d)(1)(I)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies In internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies In internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
(d)(1)(vii)	Major Programs:	Nutrition Cluster, CFDA #10.553, #10.555, #10.559
(d)(1)(viii)	Dollar Threshold: Type A\B Programs:	Type A: >$750,000; Type B: All Others
(d)(1)(ix)	Low Risk Auditee under v 2 CFR 200.520?	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

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

Federal Grantor/ Sub-Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements	Pass Through to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE:							
Pass through Ohio Department of Education							
Nutrition Cluster							
National School Breakfast Program	n/a	10.553	265,553	16,884	265,553	16,884	-
Summer Food Service Program	n/a	10.559	292,522	-	292,522	-	-
National School Lunch Program	n/a	10.555	961,242	64,545	961,242	64,545	-
National School Lunch Program-Covid-19	n/a	10.555	53,937	-	53,937	-	-
Total Nutrition Cluster			1,573,254	81,429	1,573,254	81,429	-
Total U.S. Department of Agriculture			**1,573,254**	**81,429**	**1,573,254**	**81,429**	**-**
U.S. DEPARTMENT OF EDUCATION:							
Pass through Ohio Department of Education							
Title I Educationally Deprived Children	4488-3M00-2021	84.010	5,038	-	-	-	-
	4488-3M00-2021		100,573	-	121,083	-	-
	4488-3M00-2022		14,873	-	13,255	-	-
	4488-3M00-2022		292,072	-	291,028	-	-
			412,556	-	425,366	-	-
Elementary and Secondary School Emergency Relief Fund (ESSER)	ESSER	84.425D	295,760	-	-	-	-
	ESSER II		1,155,929	-	288,659	-	-
	ESSER III ARP		417,552	-	168,638	-	-
			1,869,241		457,297	-	-
Special Education Cluster:							
Title VI-B Special Education Assistance	4488-3M20-2021	84.027	58,300	-	77,209	-	-
	4488-3M20-2022		433,421	-	427,349	-	-
Total Special Education Cluster			491,721	-	504,558	-	-
Supporting Effective Instruction	4488-3Y60-2021	84.367	9,460		11,185		
	4488-3Y60-2022		60,871	-	59,934	-	-
			70,331	-	71,119	-	-
Career and Technical Education Basic State Grant	4488-3I90-2019	84.048	-		1,384		
	4488-3I90-2022		2,800	-	-	-	-
			2,800	-	1,384	-	-
Title III LEP	4488-2021	84.365	16,329	-	15,025	-	-
	4488-2022		17,017	-	17,017	-	-
			33,346	-	32,042	-	-
Title IV Student Support & Enrichment	4488-3HI0-2021	84.424	20,239	-	11	-	-
	4488-3HI0-2022		19,025	-	30,290	-	-
			39,264	-	30,301	-	-
Total U.S. Department of Education			**2,919,259**	**-**	**1,522,067**	**-**	**-**
Total Federal Awards Expenditures			**4,492,513**	**81,429**	**3,095,321**	**81,429**	**-**

See notes to Schedule of Federal Awards Expenditures.

TALLMADGE CITY SCHOOL DISTRICT
SUMMIT COUNTY
NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTES A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of Federal Awards Receipts and Expenditures Schedule (the Schedule) reports the Tallmadge City School District's federal award receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

NOTE B - GENERAL

The basis for determining when federal awards are expended is presented 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. In addition, expenditures reported on the Schedule are recognized following, as applicable, either the cost principles contained in OMB Circular A-87, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District has not elected to use the 10 percent de minimus indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

NOTE C - SUBRECIPIENTS

The School District passes-through certain Federal assistance received from the U.S. Department of Education to other governments or not-for-profit agencies (subrecipients). As described in Note A, the School District records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under the Uniform Guidance, the School District is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements, and that performance goals are achieved. There were no subrecipients in the year ended June 30, 2022.

NOTES D – CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

Tallmadge City School District reports commodities on the Schedule at fair value. The District allocated donated food commodities to the respective program that benefited from the use of those donated food commodities.

OHIO AUDITOR OF STATE
KEITH FABER

TALLMADGE CITY SCHOOL DISTRICT

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 2/7/2023

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