ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OHIO AUDITOR OF STATE
KEITH FABER

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY
JUNE 30, 2023

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LUCAS COUNTY
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INDEPENDENT AUDITOR'S REPORT

Anthony Wayne Local School District
Lucas County
9565 Bucher Road
P.O. Box 2487
Whitehouse, Ohio 43571-0486

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Anthony Wayne Local School District, Lucas County, Ohio (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Anthony Local School District, Lucas County, Ohio as of June 30, 2023, and the respective changes in financial position thereof and the budgetary comparison for the General fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

February 28, 2024

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The management's discussion and analysis of the Anthony Wayne Local School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. 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 fiscal year 2023 are as follows:

- In total, net position of governmental activities increased $2,976,559 from ($29,125,267) to ($26,148,708), which represents a 10.22% increase from 2022.

- General revenues accounted for $54,237,155 in revenue or 85.89% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $8,908,171 or 14.11% of all revenues. The District had total revenues of $63,145,326.

- The District had $60,168,767 in expenses related to governmental activities; only $8,908,171 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) were adequate to provide for these programs.

- The District's major governmental funds are the general fund, bond retirement fund and permanent improvement fund.

- The District's bond retirement fund had $8,255,121 in revenues and other financing sources and $8,211,760 in expenditures and other financing uses. During fiscal year 2023, the District refunded $3,795,000 in general obligation bonds and the transaction is accounted for in the bond retirement fund.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the 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. In the case of the District, the general fund, bond retirement fund and permanent improvement fund are by far the most significant funds, and the only governmental funds reported as major funds.

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 2023?" The statement of net position and the statement of activities answer this question. These statements include all assets, liabilities, deferred inflows and outflows 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.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, bond retirement fund and permanent improvement fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets than can readily be converted to cash. The governmental fund financial 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 on the statement of net position and in the statement of activities) and governmental funds is reconciled in the basic financial statements.

Reporting the District's Fiduciary Responsibilities

The District acts in a trustee capacity as an agent for other governments or organizations. These activities are reported in custodial funds. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and statement of changes in fiduciary net position. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

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.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB liability.

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table on the following page provides a summary of the District's net position for fiscal years 2023 and 2022.

Net Position

	Governmental Activities 2023	Governmental Activities 2022
Assets		
Current and other assets	$ 63,017,952	$ 59,968,718
Net OPEB asset	4,671,651	3,739,961
Capital assets, net	56,583,668	58,556,060
Total assets	124,273,271	122,264,739
Deferred outflows of resources		
Unamortized deferred charges on debt refunding	11,082	31,705
Pensions and OPEB	13,111,870	13,046,620
Total deferred outflows of resources	13,122,952	13,078,325
Liabilities		
Current liabilities	7,423,972	7,447,657
Long-term liabilities:		
Due within one year	2,700,723	2,977,648
Due in more than one year:		
Net pension liability	49,454,790	29,611,087
Net OPEB liability	2,498,202	3,589,865
Other amounts	49,429,884	51,391,710
Long-term liabilities	104,083,599	87,570,310
Total liabilities	111,507,571	95,017,967
Deferred inflows of resources		
Unamortized deferred charges on debt refunding	183,749	88,690
Property taxes and PILOTs levied for the next fiscal year	39,738,835	38,723,837
Pensions and OPEB	12,114,776	30,637,837
Total deferred inflows of resources	52,037,360	69,450,364
Net position		
Net investment in capital assets	7,591,229	6,930,184
Restricted	5,815,702	3,639,798
Unrestricted (deficit)	(39,555,639)	(39,695,249)
Total net position (deficit)	$ (26,148,708)	$ (29,125,267)

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." 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 to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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, 2023, the District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $26,148,708. The net investment in capital assets at June 30, 2023 was $7,591,229. A portion of the District's net position, $5,815,702, 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 $39,555,639.

The major components of assets are equity in pooled cash and investments, property taxes receivable, and capital assets. Total assets increased slightly from the prior year. Property taxes receivable have increased over the last several years as the District continues collections on the 3.9 mill operating levy which was passed in November 2013 and the bond levy for various construction projects which passed in November 2016. Property taxes receivable at June 30, 2023 increased in particular from delinquent taxes related to the Nexus gas pipeline. Most of the property taxes receivable, however, is offset by deferred inflows of resources since the taxes are levied to finance the next fiscal year.

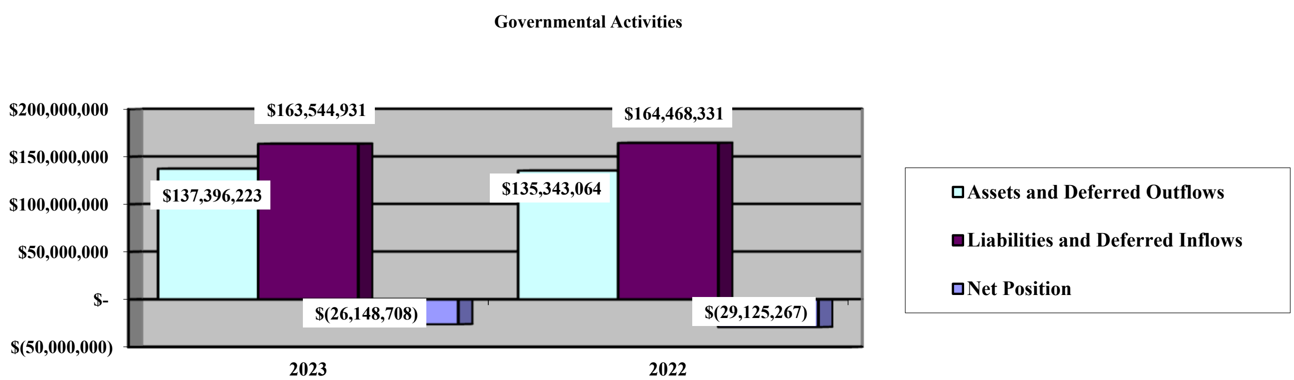
At year-end, capital assets represented 45.53% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, vehicles and intangible right to use - leased equipment and software. Capital assets are used to provide services to the students and are not available for future spending.

Total assets at fiscal year-end include a net OPEB asset reported by the State Teachers Retirement System (STRS). See Note 14 for more detail.

Current liabilities decreased from accounts payable, contracts payable and accrued wages and benefits payable outstanding at fiscal year-end. Long-term liabilities increased, mostly due to an increase in the net pension liability. Other long-term liabilities, consisting primarily of bonds payable, decreased as the District continues to pay off the balance of the general obligation bonds.

The net pension liability increased $19,843,703 and deferred inflows of resources related to pension decreased $19,086,522. 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). Primarily, net investment income on investments at both pension systems were negative for the fiscal year 2022 measurement date that are used for the fiscal year 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous fiscal year's large positive investment returns.

The chart below shows the District's governmental activities assets and deferred outflows, liabilities and deferred inflows and net position at June 30, 2023 and 2022.



The table on the following page shows the change in net position for fiscal years 2023 and 2022.

Change in Net Position

	Governmental Activities 2023	Governmental Activities 2022
Revenues		
Program revenues:		
Charges for services and sales	$ 3,327,324	$ 2,237,736
Operating grants and contributions	4,840,587	6,464,544
Capital grants and contributions	740,260	9,667
General revenues:		
Property taxes	41,557,538	40,470,266
Payments in lieu of taxes	1,415,124	1,427,856
Grants and entitlements	10,702,125	10,674,568
Investment earnings	373,609	(151,765)
Other	188,759	84,225
Total revenues	63,145,326	61,217,097
Expenses		
Program expenses:		
Instruction:		
Regular	26,022,513	22,479,197
Special	7,034,521	6,229,223
Other	272,875	286,705
Support services:		
Pupil	4,394,767	3,587,917
Instructional staff	1,012,843	881,790
Board of education	263,070	262,505
Administration	4,257,618	3,822,391
Fiscal	1,376,701	1,310,087
Business	175,602	-
Operations and maintenance	6,430,812	5,475,853
Pupil transportation	3,452,741	3,024,505
Central	515,855	315,704
Operation of non-instructional services:		
Food service operations	1,447,378	1,468,745
Other non-instructional services	255,482	262,233
Extracurricular activities	1,479,572	1,388,591
Interest and fiscal charges	1,776,417	1,880,615
Total expenses	60,168,767	52,676,061
Change in net position	2,976,559	8,541,036
Net position (deficit) at beginning of year	(29,125,267)	(37,666,303)
Net position (deficit) at end of year	$ (26,148,708)	$ (29,125,267)

Governmental Activities

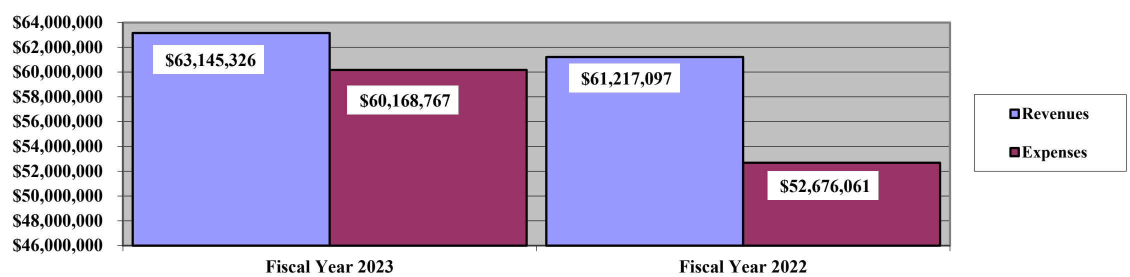
Net position of the District's governmental activities increased $2,976,559. Total governmental expenses of $60,168,767 were offset by program revenues of $8,908,171 and general revenues of $54,237,155. Program revenues supported 14.81% of the total governmental expenses.

Charges for services and sales increased during fiscal year 2023 primarily from food service operations. In the area of program revenues, operating grants and contributions decreased, which is primarily attributable to additional federal subsidies received during fiscal year 2022 for food service operations. Capital grants and contributions increased during fiscal year 2023, which represents investment earnings and funding received from the School Safety Grant program and School Bus Purchase program. The School Safety Grant program was created to help schools pay for physical security expenses such as new security cameras, public address systems, automatic door locks, visitor badging systems and exterior lighting.

Overall, expenses of the governmental activities increased $7,492,706 during fiscal year 2023. This increase is primarily the result of an increase in pension expense. Pension expense increased approximately $5,139,755. This increase was the result of an increase in expenses incurred at the pension system level for STRS and SERS due to a decrease in net investment income on investments compared to previous years.

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2023 and 2022.

Governmental Activities - Revenues and Expenses



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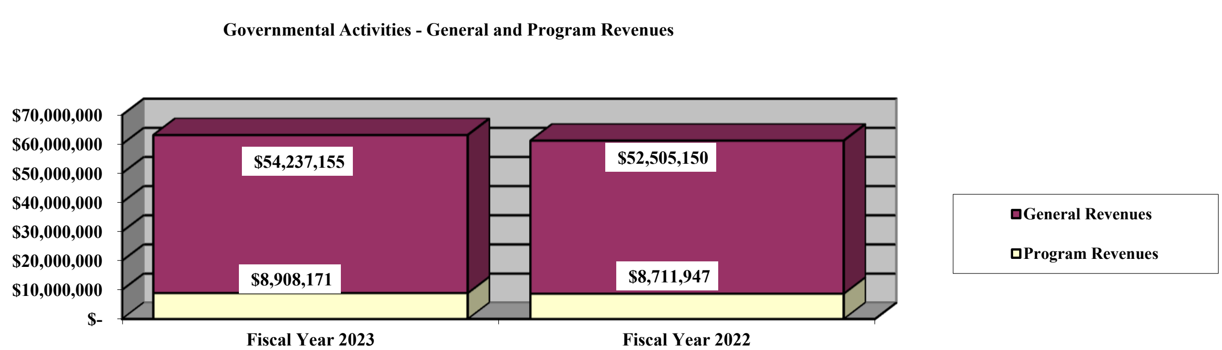
The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The table on the following page shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services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

Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program expenses				
Instruction:				
Regular	$ 26,022,513	$ 23,201,480	$ 22,479,197	$ 19,930,316
Special	7,034,521	5,626,699	6,229,223	4,925,780
Other	272,875	272,875	286,705	286,705
Support services:				
Pupil	4,394,767	3,617,811	3,587,917	2,746,943
Instructional staff	1,012,843	1,012,843	881,790	881,760
Board of education	263,070	263,070	262,505	262,505
Administration	4,257,618	4,016,453	3,822,391	3,587,109
Fiscal	1,376,701	1,376,701	1,310,087	1,310,087
Business	175,602	175,602	-	-
Operations and maintenance	6,430,812	6,045,078	5,475,853	5,222,231
Pupil transportation	3,452,741	3,211,764	3,024,505	2,933,822
Central	515,855	505,055	315,704	304,904
Operations of non-instructional services:				
Food service operations	1,447,378	(541,904)	1,468,745	(987,458)
Other non-instructional services	255,482	656	262,233	23,016
Extracurricular activities	1,479,572	699,996	1,388,591	655,779
Interest and fiscal charges	1,776,417	1,776,417	1,880,615	1,880,615
Total expenses	$ 60,168,767	$ 51,260,596	$ 52,676,061	$ 43,964,114

The dependence upon tax and other general revenues for governmental activities is apparent; 87.31% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 85.19%. The District's taxpayers and unrestricted grants, as a whole, are by far the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal year 2023 and 2022.



The District's Funds

The District's governmental funds reported a combined fund balance of $9,411,422, compared to last year's total of $10,251,924. The table below indicates the fund balance and the total change in fund balance as of June 30, 2023 and 2022.

	Fund Balance June 30, 2023	Fund Balance June 30, 2022	Change
General	$ 504,211	$ 2,300,695	$ (1,796,484)
Bond retirement	2,033,970	1,990,609	43,361
Permanent Improvement	4,838,272	4,669,644	168,628
Nonmajor governmental funds	2,034,969	1,290,976	743,993
Total	$ 9,411,422	$ 10,251,924	$ (840,502)

General Fund

The District's general fund reported a fund balance of $504,211 at June 30, 2023, which represents a decrease of $1,796,484 from the prior year. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	2023 Amount	2022 Amount	Percentage Change
Revenues			
Taxes	$ 32,009,404	$ 31,779,255	0.72 %
Payments in lieu of taxes	1,360,640	1,373,066	(0.90) %
Tuition	1,229,798	1,106,357	11.16 %
Earnings on investments	365,798	(131,500)	378.17 %
Intergovernmental	10,671,874	10,655,288	0.16 %
Other revenues	373,328	294,906	26.59 %
Total	$ 46,010,842	$ 45,077,372	2.07 %
Expenditures			
Instruction	$ 28,752,940	$ 27,749,327	3.62 %
Support services	18,263,342	17,121,239	6.67 %
Operation of non-instructional services	422	-	100.00 %
Extracurricular activities	769,519	730,211	5.38 %
Facilities acquisition and construction	-	15,080	(100.00) %
Debt service	3,481	868	301.04 %
Total	$ 47,789,704	$ 45,616,725	4.76 %

Overall revenues were comparable to prior year, increasing by 2.07%. The District experienced growth in property tax and tuition. Property tax revenue continued to increase due to an increase in appraised values from housing and commercial growth. Tuition revenue increased from open enrollment. The change in fair value of investments and higher interest rates contributed to the increase in earnings on investments during fiscal year 2023. Other revenues increased due to reimbursements and refunds.

Overall expenditures were comparable to prior year, increasing by 4.76%. Instructional and support services increased primarily from overall increases in salaries and benefits. Non-instructional services and extracurricular activities expenditures increased as more athletic and other events were held during fiscal year 2023. Facilities acquisition and construction was reported in fiscal year 2022 in relation to the inception of leases payable. Debt service expenditures increased from a full year of payments on the leases payable.

Bond Retirement Fund

The bond retirement fund is a major fund of the District. During fiscal year 2023, the District refunded $3,795,000 in general obligation bonds and the transaction is accounted for in the bond retirement fund. $3,833,383 was paid to the refunding bond escrow agent and $3,795,000 in refunding bonds were issued. The bond retirement fund made $4,306,838 in principal retirement, interest and fiscal charges, and refunding bond issuance costs during fiscal year 2023, which were paid from $4,460,121 in property taxes and intergovernmental revenues.

Permanent Improvement Fund

The permanent improvement fund is a major fund of the District and had $2,929,328 in revenues and other financing sources and $2,760,700 in expenditures during fiscal year 2023. The permanent improvement fund's expenditures included various capital acquisitions, capital improvements and maintenance and repairs.

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 2023, the District amended its general fund budget several times. For the general fund, original and final budget revenues and other financing sources were $44,985,000 and $44,934,000, respectively. Actual revenues and other financing sources were $45,326,766, which is $392,766 or .87% higher than the final budget.

General fund original appropriations (appropriated expenditures plus other financing uses) of $47,010,509 were increased to $47,677,656 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2023 totaled $47,531,729, which is $145,927 or .31% lower than the final budget appropriations. There were no significant variances between the actual and final budget appropriations.

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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the District had $56,583,668 (net of accumulated depreciation/amortization) invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles and intangible right to use - leased equipment and software. This entire amount is reported in governmental activities. The table that follows on the next page shows fiscal year 2023 balances compared to 2022.

Capital Assets at June 30
(Net of Depreciation/Amortization)

	Governmental Activities	
	2023	2022
Land	$ 2,592,574	$ 2,592,574
Construction in progress	136,800	103,570
Land improvements	2,648,975	3,231,960
Building and improvements	48,996,954	50,278,577
Furniture and equipment	812,006	955,116
Vehicles	1,376,785	1,380,063
Intangible right to use:		
Leased equipment	11,184	14,200
Software	8,390	-
Total	$ 56,583,668	$ 58,556,060

The decrease in capital assets is a result of the depreciation/amortization expense of $2,365,693, disposals net of accumulated depreciation/amortization of $37,485, and capital asset additions of $397,556. See Note 9 in the notes to the basic financial statements for additional detail on the District's capital assets.

Debt Administration

At June 30, 2023, the District had $47,988,000 in general obligation bonds outstanding and $11,606 in leases payable outstanding. Of this total, $2,254,844 is due within one year and $45,744,762 is due in greater than one year. The following table summarizes the debt outstanding.

Outstanding Debt, at Fiscal Year End

	Governmental Activities 2023	Governmental Activities 2022
General obligation bonds:		
Current interest	$ 40,310,000	$ 45,335,000
Current interest - direct placement	7,678,000	5,136,000
Unamortized premium	785,366	980,035
Leases payable	11,606	14,286
Total general obligation bonds	$ 48,784,972	$ 51,465,321

At June 30, 2023, the District's overall legal debt margin was $74,301,239 and the unvoted debt margin was $1,336,170. See Note 10 in the notes to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

The District has continued to maintain the highest standards of service to our students, parents and community. The District is always presented with new challenges and opportunities.

The District was removed from fiscal caution by the Ohio Department of Education in December 2009, after being placed in fiscal caution in March 2007. The District accomplished this (removal) by taking advantage of attrition and reducing staff where possible and strong fiscal management. The Board of Education and administration continues to closely monitor its revenues and expenditures in accordance with its financial forecast.

As the preceding information shows, the District heavily depends on its property taxpayers. At present, the local taxpayers support represents approximately 66.11% of the total revenues of the District. The local communities' support was last measured in November 2016 with the passage of a $44.2M bond levy for various construction projects in the District. Prior to that, in November 2013, they passed a 3.9 mill continuing operating levy that will generate nearly $4 million annually. In November 2012, the community renewed a $3 million, 3.4 mill emergency operating levy for 10 years. This levy was renewed by voters in November 2022 for uninterrupted collections for January 2024. The continued support of these issues demonstrates the strong belief of parents and community members that their schools are one of the highest priorities and one of the most important public institutions in their communities.

The District communicates to its residents through a monthly newsletter that is emailed to parents and posted on the District's website. We also use social media websites like Twitter and Facebook to communicate. They work to keep the taxpayers informed as they rely upon their support for the major part of its operations, and will continue to work diligently to plan expenses, staying carefully within the District's five-year financial plan. State law generally retards the growth of income generated by local levies rendering revenue relatively constant. This lack of revenue growth normally forces the District to come back to the voters from time to time and ask for additional financial support.

The District has experienced growth; the student population has grown over 700+ students since 2003. It tapered off with the slowing of new home developments, due to the economic times, however this has since changed, as has the economy. The District is seeing many new housing developments along with industrial and commercial development as well. The District also saw rapid growth in their assessed property valuation during the growth period. The District's assessed valuation has increased $515,499,660 since 2005. This increase was a result of the triennial updates of property values in the District, continued growth of new construction, primarily in the area of new homes, and Lucas County's re-valuation of property values. For the first time in years, 2009s triennial update reflected a 'sign of the times' resulting in an 11% decrease in District valuation. The valuation went from $965,854,084 in 2009 to $872,615,450 in 2011 as a result of this reduction, but then decreased to $872,184,860 in 2012. Lucas County experienced a revaluation in 2013, and their valuation suffered another loss, at $810,963,970; however, a positive trend started as their 2014 valuation rose to $824,306,330 and is currently at $1,336,169,660. We anticipate this growth pattern to continue.

The District is utilizing ESSER funds to benefit students and provide 1 to 1 technology in our buildings, as well as making them safe/clean for students and staff. We continue to work through our finances to ensure we continue to provide our students the high quality education during these different times.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Kerri L. Johnson, Treasurer, Anthony Wayne Local School District, 9565 Bucher Rd., Whitehouse, Ohio 43571.

ANTHONY WAYNE LOCAL SCHOO DISTRICT
LUCAS COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2023

		Governmental Activities
Assets:		
Equity in pooled cash and investments	$	15,235,061
Receivables:		
Property taxes		46,406,975
Payment in lieu of taxes		640,000
Accrued interest		34,623
Intergovernmental		596,172
Prepayments		39,117
Materials and supplies inventory		63,760
Inventory held for resale		2,244
Net OPEB asset		4,671,651
Capital assets:		
Nondepreciable/amortized capital assets		2,729,374
Depreciable/amortized capital assets, net		53,854,294
Capital assets, net		56,583,668
Total assets		124,273,271
Deferred outflows of resources:		
Unamortized deferred charges on debt refunding		11,082
Pension		12,097,452
OPEB		1,014,418
Total deferred outflows of resources		13,122,952
Liabilities:		
Accounts payable		251,463
Contracts payable		34,800
Accrued wages and benefits payable		5,865,983
Intergovernmental payable		1,130,881
Accrued interest payable		140,845
Long-term liabilities:		
Due within one year		2,700,723
Due in more than one year:		
Net pension liability		49,454,790
Net OPEB liability		2,498,202
Other amounts due in more than one year		49,429,884
Total liabilities		111,507,571
Deferred inflows of resources:		
Property taxes levied for the next fiscal year		39,098,835
Payment in lieu of taxes levied for the next fiscal year		640,000
Unamortized deferred charges on debt refunding		183,749
Pension		4,885,999
OPEB		7,228,777
Total deferred inflows of resources		52,037,360
Net position:		
Net investment in capital assets		7,591,229
Restricted for:		
Debt service		2,432,584
State funded programs		875
Federally funded programs		444,646
Food service operations		1,267,600
Student activities		545,449
OPEB		1,035,714
Other purposes		88,834
Unrestricted (deficit)		(39,555,639)
Total net position (deficit)	$	(26,148,708)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ANTHONY WAYNE LOCAL SCHOO DISTRICT
LUCAS COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

		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	$ 26,022,513	$ 996,112	$ 1,561,017	$ 263,904	$ (23,201,480)
Special	7,034,521	301,503	1,106,319	-	(5,626,699)
Other	272,875	-	-	-	(272,875)
Support services:					
Pupil	4,394,767	44,871	732,085	-	(3,617,811)
Instructional staff	1,012,843	-	-	-	(1,012,843)
Board of education	263,070	-	-	-	(263,070)
Administration	4,257,618	47,089	194,076	-	(4,016,453)
Fiscal	1,376,701	-	-	-	(1,376,701)
Business	175,602	-	-	-	(175,602)
Operations and maintenance	6,430,812	75	30,490	355,169	(6,045,078)
Pupil transportation	3,452,741	-	119,790	121,187	(3,211,764)
Central	515,855	-	10,800	-	(505,055)
Operation of non-instructional services:					
Food service operations	1,447,378	1,158,098	831,184	-	541,904
Other non-instructional services	255,482	-	254,826	-	(656)
Extracurricular activities	1,479,572	779,576	-	-	(699,996)
Interest and fiscal charges	1,776,417	-	-	-	(1,776,417)
Totals	$ 60,168,767	$ 3,327,324	$ 4,840,587	$ 740,260	(51,260,596)

General revenues:	
Property taxes levied for:	
General purposes	34,480,412
Debt service	4,389,194
Capital outlay	2,687,932
Payments in lieu of taxes	1,415,124
Grants and entitlements not restricted to specific programs	10,702,125
Investment earnings	442,196
Change in fair value of investments	(68,587)
Miscellaneous	188,759
Total general revenues	54,237,155
Change in net position	2,976,559
Net position (deficit) at beginning of year	(29,125,267)
Net position (deficit) at end of year	$ (26,148,708)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ANTHONY WAYNE LOCAL SCHOO DISTRICT
LUCAS COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	Bond Retirement	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	$ 5,923,323	$ 1,898,789	$ 4,889,272	$ 2,523,677	$ 15,235,061
Receivables:					
Property taxes	38,728,118	4,792,314	2,886,543	-	46,406,975
Payment in lieu of taxes	604,563	-	35,437	-	640,000
Accrued interest	34,623	-	-	-	34,623
Interfund loans	85,202	-	-	-	85,202
Intergovernmental	-	-	-	596,172	596,172
Prepayments	38,480	-	-	637	39,117
Materials and supplies inventory	63,760	-	-	-	63,760
Inventory held for resale	-	-	-	2,244	2,244
Total assets	$ 45,478,069	$ 6,691,103	$ 7,811,252	$ 3,122,730	$ 63,103,154
Liabilities:					
Accounts payable	$ 116,825	$ -	$ 97,538	$ 37,100	$ 251,463
Contracts payable	-	-	34,800	-	34,800
Accrued wages and benefits payable	5,315,580	-	-	550,403	5,865,983
Compensated absences payable	143,165	-	-	-	143,165
Intergovernmental payable	1,018,483	-	-	112,398	1,130,881
Interfund loans payable	-	-	-	85,202	85,202
Total liabilities	6,594,053	-	132,338	785,103	7,511,494
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	32,535,354	4,117,819	2,445,662	-	39,098,835
Payment in lieu of taxes levied for the next fiscal year	604,563	-	35,437	-	640,000
Delinquent property tax revenue not available	5,231,118	539,314	359,543	-	6,129,975
Intergovernmental revenue not available	-	-	-	302,658	302,658
Accrued interest not available	8,770	-	-	-	8,770
Total deferred inflows of resources	38,379,805	4,657,133	2,840,642	302,658	46,180,238
Fund balances:					
Nonspendable:					
Materials and supplies inventory	63,760	-	-	-	63,760
Prepaids	38,480	-	-	637	39,117
Unclaimed monies	44,133	-	-	-	44,133
Restricted:					
Debt service	-	2,033,970	-	-	2,033,970
Food service operations	-	-	-	1,302,622	1,302,622
State funded programs	-	-	-	875	875
Federally funded programs	-	-	-	444,646	444,646
Student activities	-	-	-	545,449	545,449
Other purposes	-	-	-	44,701	44,701
Committed:					
Capital improvements	-	-	4,838,272	-	4,838,272
Assigned:					
Student instruction	270,930	-	-	-	270,930
Student and staff support	85,411	-	-	-	85,411
Other purposes	1,497	-	-	-	1,497
Unassigned (deficit)	-	-	-	(303,961)	(303,961)
Total fund balances	504,211	2,033,970	4,838,272	2,034,969	9,411,422
Total liabilities, deferred inflows and fund balances	$ 45,478,069	$ 6,691,103	$ 7,811,252	$ 3,122,730	$ 63,103,154

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ANTHONY WAYNE LOCAL SCHOO DISTRICT
LUCAS COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

Total governmental fund balances		$ 9,411,422
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.		56,583,668
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 6,129,975	
Accrued interest receivable	8,770	
Intergovernmental receivable	302,658	
Total		6,441,403
Unamortized amounts on refundings are not recognized in the funds		(172,667)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(140,845)
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	12,097,452	
Deferred inflows - pension	(4,885,999)	
Net pension liability	(49,454,790)	
Deferred outflows - OPEB	1,014,418	
Deferred inflows - OPEB	(7,228,777)	
Net OPEB asset	4,671,651	
Net OPEB liability	(2,498,202)	
Total		(46,284,247)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(47,988,000)	
Unamortized premium on general obligation bond:	(785,366)	
Leases payable	(11,606)	
Compensated absences	(3,202,470)	
Total		(51,987,442)
Net position of governmental activities		$ (26,148,708)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ANTHONY WAYNE LOCAL SCHOO DISTRICT
LUCAS COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General	Bond Retirement	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	$ 32,009,404	$ 4,160,718	$ 2,518,346	$ -	$ 38,688,468
Intergovernmental	10,671,874	299,403	335,465	4,773,746	16,080,488
Investment earnings	434,385	-	-	98,578	532,963
Tuition and fees	1,229,798	-	-	-	1,229,798
Extracurricular	90,662	-	-	754,859	845,521
Rental income	75	-	-	-	75
Charges for services	93,832	-	-	1,158,098	1,251,930
Contributions and donations	-	-	-	200	200
Payment in lieu of taxes	1,360,640	-	54,484	-	1,415,124
Miscellaneous	188,759	-	5,260	-	194,019
Change in fair value of investments	(68,587)	-	-	-	(68,587)
Total revenues	46,010,842	4,460,121	2,913,555	6,785,481	60,169,999
Expenditures:					
Current:					
Instruction:					
Regular	22,348,672	-	825,908	1,732,750	24,907,330
Special	6,131,393	-	-	817,317	6,948,710
Other	272,875	-	-	-	272,875
Support services:					
Pupil	3,770,395	-	-	531,267	4,301,662
Instructional staff	982,374	-	-	-	982,374
Board of education	263,286	-	-	-	263,286
Administration	3,817,661	-	-	194,478	4,012,139
Fiscal	1,244,903	71,539	46,127	-	1,362,569
Business	-	-	175,602	-	175,602
Operations and maintenance	4,558,627	-	1,206,378	202,615	5,967,620
Pupil transportation	3,131,299	-	185,454	141,298	3,458,051
Central	494,797	-	-	10,800	505,597
Operation of non-instructional services:					
Food service operations	-	-	-	1,434,430	1,434,430
Other non-instructional services	422	-	-	255,060	255,482
Extracurricular activities	769,519	-	-	707,875	1,477,394
Facilities acquisition and construction	-	-	321,231	13,598	334,829
Debt service:					
Principal retirement	2,680	2,483,000	-	-	2,485,680
Interest and fiscal charges	801	1,782,408	-	-	1,783,209
Refunding bond issuance costs	-	41,430	-	-	41,430
Total expenditures	47,789,704	4,378,377	2,760,700	6,041,488	60,970,269
Excess (deficiency) of revenues over (under) expenditures	(1,778,862)	81,744	152,855	743,993	(800,270)
Other financing sources (uses):					
Sale of refunding bonds	-	3,795,000	-	-	3,795,000
Sale of assets	-	-	15,773	-	15,773
Payment to refunding bond escrow agent	-	(3,833,383)	-	-	(3,833,383)
Total other financing sources (uses)	-	(38,383)	15,773	-	(22,610)
Net change in fund balances	(1,778,862)	43,361	168,628	743,993	(822,880)
Fund balances at beginning of year	2,300,695	1,990,609	4,669,644	1,290,976	10,251,924
Change in reserve for inventory	(17,622)	-	-	-	(17,622)
Fund balances at end of year	$ 504,211	$ 2,033,970	$ 4,838,272	$ 2,034,969	$ 9,411,422

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ANTHONY WAYNE LOCAL SCHOO DISTRICT
LUCAS 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, 2023

Net change in fund balances - total governmental funds			$	(822,880)
Amounts reported for governmental activities in the statement of activities are different because:				
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as assets is allocated over their estimated useful lives as depreciation/amortization expense.				
Capital asset additions	$	430,786		
Current year depreciation/amortization		(2,365,693)		
Total				(1,934,907)
The net effect of various miscellaneous transactions involving capital assets (i.e., sale disposals, trade-ins, and donations) is to decrease net position				(37,485)
Governmental funds report expenditures for inventory when purchased. However in the statement of activities, they are reported as an expense when consumed				(17,622)
Revenues in the statement of activities that do not provide current financial resource are not reported as revenues in the funds.				
Property taxes		2,869,070		
Earnings on investments		7,811		
Intergovernmental		98,446		
Total				2,975,327
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position				2,485,680
Issuance of refunding bonds and lease transactions 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				(3,795,000)
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. The following refunding transactions occurred during the year				
Bonds refunded		3,795,000		
Unamortized deferred charges on bonds refunded		(14,841)		
Unamortized premium on bonds refunded		168,849		
Deferred charges on refunding		(115,625)		
Total				3,833,383
In the statement of activities, interest is accrued on outstanding bonds and leases, whereas in governmental funds, an interest expenditure is reported when due. The following item resulted in additional interest being reported in the statement of activities				
Decrease in accrued interest payable		7,618		
Amortization of bond premiums		25,820		
Amortization of deferred charges		14,784		
Total				48,222

- - Continued

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows		
Pension	$ 4,409,604	
OPEB	131,973	
Total		$ 4,541,577
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	(4,869,620)	
OPEB	1,096,004	
Total		(3,773,616)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(526,120)
Change in net position of governmental activities		$ 2,976,559

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ANTHONY WAYNE LOCAL SCHOO DISTRICT
LUCAS 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, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Property taxes	$ 32,699,921	$ 32,200,885	$ 32,002,581	$ (198,304)
Intergovernmental	10,535,000	10,759,000	10,692,177	(66,823)
Investment earnings	125,000	350,000	418,111	68,111
Tuition and fees	642,000	642,000	943,197	301,197
Rental income	25,000	25,000	75	(24,925)
Charges for services	75,000	75,000	93,832	18,832
Payment in lieu of taxes	850,079	849,115	853,584	4,469
Miscellaneous	33,000	33,000	166,918	133,918
Total revenues	44,985,000	44,934,000	45,170,475	236,475
Expenditures:				
Current:				
Instruction:				
Regular	21,574,078	21,812,787	21,791,610	21,177
Special	6,524,341	6,354,867	6,339,216	15,651
Other	304,790	275,676	273,896	1,780
Support services:				
Pupil	3,614,942	3,699,731	3,686,141	13,590
Instructional staff	1,044,239	1,001,600	992,124	9,476
Board of education	343,984	306,724	296,215	10,509
Administration	3,780,697	3,802,447	3,786,248	16,199
Fiscal	1,045,868	1,290,858	1,280,633	10,225
Operations and maintenance	4,606,256	4,791,446	4,765,829	25,617
Pupil transportation	2,801,403	3,186,108	3,180,579	5,529
Central	599,039	503,414	493,399	10,015
Extracurricular activities	770,872	651,998	645,839	6,159
Total expenditures	47,010,509	47,677,656	47,531,729	145,927
Deficiency of revenues under expenditures	(2,025,509)	(2,743,656)	(2,361,254)	382,402
Other financing sources (uses):				
Refund of prior year expenditures	-	-	23,674	23,674
Advances in	-	-	132,617	132,617
Total other financing sources (uses)	-	-	156,291	156,291
Net change in fund balance	(2,025,509)	(2,743,656)	(2,204,963)	538,693
Fund balance at beginning of year	4,678,677	4,678,677	4,678,677	-
Prior year encumbrances appropriated	489,428	489,428	489,428	-
Fund balance at end of year	$ 3,142,596	$ 2,424,449	$ 2,963,142	$ 538,693

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ANTHONY WAYNE LOCAL SCHOO DISTRICT
LUCAS COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2023

	Custodial
Assets:	
Equity in pooled cash and investments	$ 2,829
Net position:	
Restricted for scholarships	$ 2,829

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ANTHONY WAYNE LOCAL SCHOO DISTRICT
LUCAS COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Custodial
Deductions:	
Scholarships awarded	$ 2,300
Change in net position	(2,300)
Net position at beginning of year	5,129
Net position at end of year	$ 2,829

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Anthony Wayne Local School District (the District) is located in Lucas, Wood and Fulton Counties, including all of the Villages of Whitehouse and Waterville, and portions of the City of Maumee and surrounding townships. The District serves an area of approximately 74 square miles.

The District is organized under Sections 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four year terms.

The District currently operates 3 elementary schools, 1 middle school, 1 junior high school, and 1 comprehensive high school. The District employs 175 non-certified and 287 certified (including administrative) full-time and part-time employees to provide services to approximately 4,148 students in grades K through 12 and various community groups.

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

Northwest Ohio Computer Association
The District is a participant in the Northwest Ohio Computer Association (NWOCA) which is a computer consortium. NWOCA is an association of education entities within the boundaries of Defiance, Fulton, Henry, Lucas, Williams and Wood counties in northwestern Ohio. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. NWOCA is governed by the Northern Buckeye Education Council and its participating members. Financial information can be obtained from Tammy Butler, who serves as Treasurer, at 209 Nolan Parkway, Archbold, Ohio 43502.

Northern Buckeye Education Council
The Northern Buckeye Education Council (NBEC) was established in 1979 to foster cooperation among school districts located in Defiance, Fulton, Henry, Lucas, Williams, and Wood counties. NBEC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member entities and bylaws adopted by the representatives of the member educational entities. NBEC is governed by an elected Board consisting of two representatives from each of the counties in which the member educational entities are located. The Board is elected from an Assembly consisting of a representative from each participating educational entity. To obtain financial information write to the Northern Buckeye Education Council, Tammy Butler, who serves as Treasurer, at 209 Nolan Parkway, Archbold, Ohio 43502.

Northwestern Ohio Educational Research Council, Inc.
The Northwestern Ohio Educational Research Council, Inc. (NOERC) is a jointly governed organization formed to bring educational entities into a better understanding of their common educational problems, facilitate and conduct practical educational research, coordinate educational research among members, provide a means for evaluating and disseminating the results of research, serve as a repository for research and legislative materials, and provide opportunities for training. The NOERC serves a twenty-five county area in Northwest Ohio. The Board of Directors consists of superintendents from two educational service centers, two exempted village school districts, five local school districts, and five city school districts, as well as representatives from two private or parochial schools and three institutions of higher education. Each active member is entitled to one vote on all issues addressed by the Board of Directors. Financial information can be obtained from the Northwestern Ohio Educational Research Council, Inc., Box 456, Ashland, Ohio 44805.

Penta Career Center
The Penta Career Center (the "Center") is a separate body politic and corporate, established by the Ohio Revised Code (ORC) to provide vocational and special education needs of the students. The Center accepts non-tuition students from the District as a member school; however, it is considered a separate political subdivision and is not considered to be part of the District. The District paid $8,879 to the Center during fiscal year 2023. Financial information can be obtained from the Penta Career Center, Michael Harrigan, who serves as Treasurer, at 9301 Buck Road, Perrysburg, Ohio 43551.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The District has no proprietary funds.

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

GOVERNMENTAL FUNDS

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

General Fund - The general fund is used to account for 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 provide for the retirement of general obligation bonds. All revenue derived from general or special levies, either with or exceeding the ten-mill limitation, which is levied for debt charges on bonds shall be paid into this fund.

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

Other governmental funds of the District are used to account for (a) financial resources that are restricted, to expenditures for capital outlays including the acquisition of 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.

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. The District has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's custodial fund accounts for scholarship funds in which District has no administrative involvement.

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. Interfund services provided and used are not eliminated in the process of consolidation.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of 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 not classified as program revenues are presented as general revenues of the District.

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

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. Fiduciary funds are reported by fund type.

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

All assets and liabilities associated with the operation of fiduciary funds are included on the statement of net fiduciary position. Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

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. Fiduciary 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, payments in lieu of 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, student fees and rentals.

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 13 and 14 for deferred outflows of resources related the District's net pension liability and OPEB liability/asset. In addition, deferred outflows of resources and deferred inflows 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, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, 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 13 and 14 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset. This deferred inflow of resources is only reported on the government-wide statement of net position.

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.

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. Budgets

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for is as follows:

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.

2. By no later than January 20, the Board-adopted budget is filed with the Lucas County Budget Commission for tax rate determination. The Lucas County Budget Commission waived the tax budget filing requirement for the fiscal year 2023.

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

3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate of estimated resources may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate of estimated resources in effect when the final appropriations were passed by the Board of Education.

4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriation total.

5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.

6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.

7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 2023. 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 of Education during the fiscal year.

8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures may not legally exceed budgeted appropriations at the fund level.

F. Cash and Investments

To improve cash management, cash received by the District is pooled in a central bank account. 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 investments" on the basic financial statements.

During fiscal year 2023, investments were limited to federal agency securities, U.S. Government money market accounts, commercial paper, negotiable certificates of deposit (CDs) and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices.

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

During fiscal year 2023, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding $100 million is encouraged. 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 unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2023 amounted to $434,385, which includes $295,352 assigned from other District funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities 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 are reported as investments.

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

G. Inventory

On government-wide and fund financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expended/expensed when used. Donated commodities are presented at their entitlement value. Inventories are accounted for using the purchase method on the fund financial statements and using the consumption method on the government-wide statements.

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of current assets.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

H. Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of $5,000. 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.

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

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

Description	Governmental Activities Estimated Lives
Land improvements	5 - 20 years
Buildings and improvements	20 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	5 - 10 years
Intangible right to use assets:	
Leased equipment	5 years
Software	2-3 years

The District is reporting intangible right to use assets related to leased equipment. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable." These amounts are eliminated in the governmental activities column on the statement of net position.

J. Compensated Absences

Compensated absences of the District consist of vacation leave and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, employees age fifty or greater with ten years of service or any age with twenty years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave has been calculated using pay rates in effect at June 30, 2023 and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

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

K. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At fiscal year end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is nonspendable in the fund financial statements by an amount equal to the carrying value of the assets.

L. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, leases payable, and net pension liability 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 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 extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

M. 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.

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

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.

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

O. 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.

P. Interfund Activity

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

Q. Nonpublic Schools

Within the boundaries of the District, Lial Catholic operates as a private school. State legislation provides funding to this parochial school. The District receives the money and then disburses the money to the Educational Service Center of Lake Erie West. These transactions are reported as a governmental activity of the District.

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. The District did not have any extraordinary or special items during fiscal year 2023.

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

S. Unamortized Bond Premium and Discount/Accounting Gain or Loss

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds. On the governmental fund financial statements, bond premiums are recognized in the current period.

For advance refunding's 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 component of interest expense. This accounting gain or loss 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 on the statement of net position.

A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 10.

T. 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.

U. 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 2023, the District has implemented GASB Statement No. 91, "*Conduit Debt Obligations*", GASB Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*", GASB Statement No. 96, "*Subscription Based Information Technology Arrangements*", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the District.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the District.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. These changes were incorporated in the District’s fiscal year 2023 financial statements.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 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.

B. Deficit Fund Balances

Fund balances at June 30, 2023 included the following individual fund deficits:

Nonmajor funds	Deficit
Special revenue funds	
Elementary and secondary school emergency relief (ESSER)	$ 192,114
Title VI-B	69,950
Title I	39,210
Title II-A	2,687

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.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Interim monies 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, Government National Mortgage Association, and Student Loan Marketing 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 fair 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;

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

6. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);

7. Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days and two-hundred-seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time; and,

8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the 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. 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.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Cash on Hand

At fiscal year end, the District had $5,000 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and investments".

B. Deposits with Financial Institutions

At June 30, 2023, the carrying amount of all District deposits was $951,779 and the bank balance of all District deposits was $1,113,812. Of the bank balance, $500,000 was covered by the FDIC, $543,030 was covered by the Ohio Pooled Collateral System (OPCS), and $70,782 was subject to custodial credit risk.

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 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 2023, one of the District's financial institutions was approved for a reduced collateral rate through the OPCS of 50 percent and the other financial institution was established at 102 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.

C. Investments

As of June 30, 2023, the District had the following investments and maturities:

		Investment Maturities				
Measurement/ Investment type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair Value:						
FHLB	$ 761,998	$ -	$ -	$ 232,897	$ -	$ 529,101
U.S. Treasury Note	351,583	-			351,583	-
Negotiable CDs	4,708,559	247,712	1,448,723	579,255	1,149,668	1,283,201
Commercial Paper	2,343,029	1,429,528	913,501	-	-	-
U.S. Government Money Market fund	27,961	27,961	-	-	-	-
Amortized Cost:						
STAR Ohio	6,087,981	6,087,981	-	-	-	-
Total	$ 14,281,111	$ 7,793,182	$ 2,362,224	$ 812,152	$ 1,501,251	$ 1,812,302

The weighted average maturity of investments is .69 years.

The District's investments in U.S. Government money market accounts are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FHLB and U.S. Treasury note), commercial paper and negotiable CDs are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Interest Rate Risk: Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. 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: The District's investments in FHLB and U.S. Treasury note securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The District's investments in commercial paper were rated A-1 and A-1+ by Standard & Poor's and P-1 by Moody's Investor Services. The District's investments in STAR Ohio carries a rating of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investments in negotiable CDs and U.S. Government money market accounts were not rated. The negotiable CDs are covered by FDIC. The District has no investment policy dealing with investment credit risk beyond the requirements in State statutes.

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 investments or collateral securities that are in the possession of an outside party. The federal agency securities, negotiable CDs and U.S. Government obligations are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

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, 2023:

Measurement/ Investment type	Measurement Value	% of Total
Fair Value:		
FHLB	$ 761,998	5.34%
US Treasury Note	351,583	2.46%
Negotiable CDs	4,708,559	32.97%
Commercial Paper	2,343,029	16.41%
U.S. Government Money Market Fund	27,961	0.20%
Amortized Cost:		
STAR Ohio	6,087,981	42.63%
Total	$ 14,281,111	100.000%

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, 2023:

Cash and investments per note	
Carrying amount of deposits	$ 951,779
Investments	14,281,111
Cash on hand	5,000
Total	$ 15,237,890

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Cash and investments per statement of net position	
Governmental activities	$ 15,235,061
Custodial funds	2,829
Total	$ 15,237,890

NOTE 5 - INTERFUND TRANSACTIONS

Interfund balances at June 30, 2023 as reported on the fund statements, consist of the following individual interfund loans receivable and payable:

Payable funds	Amount
Nonmajor special revenue	
ESSER	$ 44,308
Title VI-B	40,894
Total	$ 85,202

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances 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.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District's 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 2023 represent the collection of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed values as of January 1, 2022 the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair 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 2023 represent the collection of calendar year 2022 taxes. Public utility real and personal property taxes received in calendar year 2023 became a lien on December 31, 2021, were levied after April 1, 2022, 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 Lucas, Fulton and Wood Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available as an advance at June 30, 2023 was $961,646 in the general fund, $135,181 in the bond retirement fund and $81,338 in the permanent improvement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2022 was $954,823 in the general fund, $142,349 in the bond retirement fund and $78,991 in the permanent improvement 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.

NOTE 6 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2023 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.

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 2023 taxes were collected are:

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 1,227,887,400	93.45	$ 1,253,479,680	93.81
Public utility personal	86,116,910	6.55	82,689,980	6.19
Total	$ 1,314,004,310	100.00	$ 1,336,169,660	100.00
Tax rate per $1,000 of assessed valuation	$72.00		$71.60	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2023 consisted of property taxes, payments in lieu of taxes, accounts, accrued interest 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. Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

NOTE 8 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Community Reinvestment Areas

The City of Toledo, the City of Maumee and the City of Waterville provide tax abatements through Community Reinvestment Areas (CRAs).

Under the authority of 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.

NOTE 8 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

The CRA agreements entered into by the City of Toledo, the City of Maumee and the City of Waterville affect the property tax receipts collected and distributed to the District. Under these agreements, the District property taxes were reduced by $197,086 as follows:

CRA Program	District Taxes Abated
City of Toledo	$ 26,215
City of Maumee	150,177
City of Waterville	20,694
Total	$ 197,086

Enterprise Zones

Lucas County entered into property tax abatement agreements with local businesses under Enterprise Zone tax abatement agreements. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program provides tax exemptions for a portion of the value of new real property when the investment is made in conjunction with a project that includes job creation or job retention. These tax abatements reduce assessed value by a percentage agreed upon by all parties that authorize these types of agreements. The agreements affect the property tax receipts collected and distributed to the District. Under the agreements, the District property taxes were reduced by $191,372 during fiscal year 2023.

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NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Balance 06/30/22	Additions	Deductions	Balance 06/30/23
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 2,592,574	$ -	$ -	$ 2,592,574
Construction in progress	103,570	33,230	-	136,800
Total capital assets, not being depreciated/amortized	2,696,144	33,230	-	2,729,374
Capital assets, being depreciated/amortized:				
Land improvements	7,344,323	-	-	7,344,323
Buildings and improvements	71,102,665	-	-	71,102,665
Furniture and equipment	4,217,926	31,843	(70,682)	4,179,087
Vehicles	4,669,264	352,049	(37,485)	4,983,828
Intangible right to use:				
Leased equipment	15,080	-	-	15,080
Software	-	13,664	-	13,664
Total capital assets, being depreciated/amortized	87,349,258	397,556	(108,167)	87,638,647
Less: accumulated depreciation/amortization:				
Land improvements	(4,112,363)	(582,985)	-	(4,695,348)
Buildings and improvements	(20,824,088)	(1,281,623)	-	(22,105,711)
Furniture and equipment	(3,262,810)	(174,953)	70,682	(3,367,081)
Vehicles	(3,289,201)	(317,842)	-	(3,607,043)
Intangible right to use:				
Leased equipment	(880)	(3,016)	-	(3,896)
Software	-	(5,274)	-	(5,274)
Total accumulated depreciation/amortization	(31,489,342)	(2,365,693)	70,682	(33,784,353)
Governmental activities capital assets, net	$ 58,556,060	$ (1,934,907)	$ (37,485)	$ 56,583,668

NOTE 9 - CAPITAL ASSETS - (Continued)

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

Instruction:	
Regular	$ 1,204,747
Special	169,814
Support services:	
Pupil	117,971
Instructional staff	30,107
Administration	130,244
Fiscal	18,030
Operations and maintenance	227,807
Pupil transportation	360,071
Central	14,039
Extracurricular activities	63,896
Food service operations	28,967
Total depreciation expense	$ 2,365,693

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NOTE 10 - LONG-TERM OBLIGATIONS

A. During fiscal year 2023, the following changes occurred in the governmental activities long-term obligations.

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
Series 2015, refunding					
Current interest bonds	$ 4,360,000	$ -	$ (4,360,000)	$ -	$ -
Series 2017A					
Current interest bonds	32,545,000	-	(400,000)	32,145,000	310,000
Series 2017B					
Current interest bonds	8,430,000	-	(265,000)	8,165,000	85,000
Series 2020 refunding					
Direct placement					
Current interest bonds	2,071,000	-	(231,000)	1,840,000	237,000
Series 2021 refunding					
Direct placement					
Current interest bonds	3,065,000	-	(1,022,000)	2,043,000	1,033,000
Series 2022 refunding					
Direct placement					
Current interest bonds		3,795,000	-	3,795,000	587,000
Total G.O. bonds	50,471,000	3,795,000	(6,278,000)	47,988,000	2,252,000
Other long-term obligations:					
Leases payable	14,286	-	(2,680)	11,606	2,844
Compensated absences	2,904,037	933,566	(491,968)	3,345,635	445,879
Net pension liability	29,611,087	19,843,703	-	49,454,790	-
Net OPEB liability	3,589,865	-	(1,091,663)	2,498,202	-
Total other long-term obligations	36,119,275	20,777,269	(1,586,311)	55,310,233	448,723
Total governmental activities	$ 86,590,275	$ 24,572,269	$ (7,864,311)	$ 103,298,233	$ 2,700,723
	Add: unamortized premium on bonds			785,366	
	Total on statement of net position			$ 104,083,599	

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

B. On September 8, 2015, the District issued $5,350,000 in general obligation refunding bonds (Series 2015, refunding bonds). These bonds refunded the $5,425,000 callable portion of the Series 2006 refunding issue. These bonds are general obligations of the District, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds are recorded as expenditures in the bond retirement fund. On the government-wide financial statements, principal payments reduce the liability reported on the statement of net position. The source of payment is derived from a current 2.20 (average) mil bonded debt tax levy.

On September 6, 2022, the District issued unlimited tax general obligation refunding bonds (Series 2022, refunding bonds), to refund $3,795,000 of the outstanding Series 2015 refunding bonds. The remaining principal of $565,000 was retired on December 31, 2022.

C. On April 6, 2017, the District issued $35,068,500, in school facilities construction and improvement general obligation bonds, Series 2017A. The bonds were issued for the purpose of constructing, improving, furnishing and equipping a new Whitehouse Elementary school building, new operations building, and new athletic building, with related site improvements. At June 30, 2023, the debt issue is comprised of current interest serial bonds (par value $7,540,000) and current interest term bonds (par value $24,605,000). The interest rate on the current interest serial bonds ranges from 2.00-5.00 percent and the interest rate on the current interest term bonds ranges from 3.75-5.00 percent.

Interest payments on the bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue for the current interest serial bonds and current interest term bonds is December 1, 2034 and December 2053, 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 December 1 in the years and in the respective principal amounts as follows.

Current interest term bonds ($5,425,000) maturing on December 1, 2039:

Fiscal Year	Principal Amount to be Redeemed
2035	$ 1,000,000
2036	1,040,000
2037	1,085,000
2038	1,130,000
2039	1,170,000

Current interest term bonds ($3,790,000) maturing on December 1, 2042:

Fiscal Year	Principal Amount to be Redeemed
2040	$ 1,220,000
2041	1,260,000
2042	1,310,000

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Current interest term bonds ($7,380,000) maturing on December 1, 2047:

Fiscal Year	Principal Amount to be Redeemed
2043	$ 1,360,000
2044	1,415,000
2045	1,475,000
2046	1,535,000
2047	1,595,000

Current interest term bonds ($8,010,000) maturing on December 1, 2053:

Fiscal Year	Principal Amount to be Redeemed
2048	$ 1,660,000
2049	1,720,000
2050	1,795,000
2051	910,000
2052	945,000
2053	980,000

D. On April 6, 2017, the District issued $9,200,000, in school facilities construction and improvement general obligation bonds, Series 2017B. The bond issue retired the $9,200,000 anticipation notes that were issued during fiscal year 2017 for the purpose of constructing, improving, furnishing and equipping a new Whitehouse Elementary school building, new operations building, and new athletic building, with related site improvements. At June 30, 2023, the debt issue is comprised of current interest serial bonds (par value $360,000) and current interest term bonds (par value $7,805,000). 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 4.00-5.00 percent.

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 December 1 in the years and in the respective principal amounts as follows:

Current interest term bonds ($410,000) maturing on December 1, 2030:

Fiscal Year	Principal Amount to be Redeemed
2027	$ 95,000
2028	100,000
2029	105,000
2030	110,000

Current interest term bonds ($370,000) maturing on December 1, 2033:

Fiscal Year	Principal Amount to be Redeemed
2031	$ 115,000
2032	125,000
2033	130,000

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Current interest term bonds ($590,000) maturing on December 1, 2037:

Fiscal Year	Principal Amount to be Redeemed
2034	$ 135,000
2035	145,000
2036	150,000
2037	160,000

Current interest term bonds ($915,000) maturing on December 1, 2042:

Fiscal Year	Principal Amount to be Redeemed
2038	$ 165,000
2039	175,000
2040	185,000
2041	190,000
2042	200,000

Current interest term bonds ($5,520,000) maturing on December 1, 2053:

Fiscal Year	Principal Amount to be Redeemed
2043	$ 210,000
2044	220,000
2045	230,000
2046	240,000
2047	245,000
2048	255,000
2049	265,000
2050	280,000
2051	1,145,000
2052	1,190,000
2053	1,240,000

E. On September 3, 2020, the District issued $2,295,000 in general obligation refunding bonds (Series 2020, refunding bonds) through a direct placement. These bonds refunded the $2,295,000 of the Series 2011 refunding issue. These bonds are general obligations of the District, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds are recorded as expenditures in the bond retirement fund. On the government-wide financial statements, principal payments reduce the liability reported on the statement of net position.

This issue is comprised of current interest serial bonds, present value $1,840,000 at June 30, 2023. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2030.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The net present value savings of the refunding was $230,765. The net carrying value of the old debt exceeded the reacquisition price by $101,952. 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. The unamortized deferred charges are reported as a deferred outflow of resources on the statement of net position. This refunding was undertaken to reduce total debt service payments over the next nine years by $320,216.

The refunding bonds issued through Key Government Finance, Inc. is 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.

F. On September 3, 2021, the District issued $3,065,000 in general obligation refunding bonds (Series 2021, refunding bonds) through a direct placement. These bonds refunded the $3,065,000 of the Series 2011A refunding issue. These bonds are general obligations of the District, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds are recorded as expenditures in the bond retirement fund. On the government-wide financial statements, principal payments reduce the liability reported on the statement of net position.

This issue is comprised of current interest serial bonds, present value $2,043,000 at June 30, 2023. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2030.

The net present value savings of the refunding was $117,524. The reacquisition price exceeded the net carrying value of the old debt by $21,201. 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. The unamortized deferred charges are reported as a deferred outflow of resources on the statement of net position. This refunding was undertaken to reduce total debt service payments over the next nine years by $160,569.

The refunding bonds issued through U.S. Bank. is 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.

G. On September 6, 2022, the District issued $3,795,000 in general obligation refunding bonds (Series 2022, refunding bonds) through a direct placement. These bonds refunded $3,795,000 of the Series 2015 refunding issue. These bonds are general obligations of the District, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds are recorded as expenditures in the bond retirement fund. On the government-wide financial statements, principal payments reduce the liability reported on the statement of net position.

This issue is comprised of current interest serial bonds, present value $3,795,000 at June 30, 2023. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2030.

The net present value savings of the refunding was $132,591. The net carrying value of the old debt exceeded the reacquisition price by $115,625. 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. The unamortized deferred charges are reported as a deferred inflow of resources on the statement of net position. This refunding was undertaken to reduce total debt service payments over the next nine years by $186,304.

The refunding bonds issued through U.S. Bank. is 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.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

H. Principal and interest requirements to retire the District's long-term bonds are as follows:

	Current Interest Bonds			Direct Placement Current Interest Bonds		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2024	$ 395,000	$ 1,641,725	$ 2,036,725	$ 1,857,000	$ 115,627	$ 1,972,627
2025	440,000	1,626,575	2,066,575	1,852,000	91,450	1,943,450
2026	525,000	1,607,724	2,132,724	857,000	70,695	927,695
2027	580,000	1,586,550	2,166,550	637,000	55,720	692,720
2028	630,000	1,562,350	2,192,350	628,000	43,089	671,089
2029 - 2033	4,120,000	7,348,976	11,468,976	1,847,000	55,440	1,902,440
2034 - 2038	5,705,000	6,210,025	11,915,025	-	-	-
2039 - 2043	7,005,000	4,894,238	11,899,238	-	-	-
2044 - 2048	8,525,000	3,356,700	11,881,700	-	-	-
2049 - 2053	10,165,000	1,480,900	11,645,900	-	-	-
2054	2,220,000	44,400	2,264,400	-	-	-
Total	$ 40,310,000	$ 31,360,163	$ 71,670,163	$ 7,678,000	$ 432,021	$ 8,110,021

I. Leases Payable

During a prior fiscal year, the District entered into lease agreements for the use of right to use equipment. Due to the implementation of GASB Statement No. 87, the District will report intangible capital assets and corresponding liability for the future scheduled payments under the leases. Lease payments have been reclassified and are reflected as debt service expenditures for the general fund in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

The District entered into the leases for a term of 60 months on November 30, 2021. Payments are due quarterly and the leases mature in March 2027.

Principal and interest requirements to retire the District's leases payable are:

	Leases Payable		
Fiscal Year	Principal	Interest	Total
2024	$ 2,844	$ 637	$ 3,481
2025	3,020	461	3,481
2026	3,207	274	3,481
2027	2,535	77	2,612
Total	$ 11,606	$ 1,449	$ 13,055

J. Compensated Absences and Net Pension/OPEB Liability

Compensated absences will be paid from the fund from which the employee is paid which, for the District, is the general fund and the food service nonmajor governmental fund. See Note 13 for detail regarding the net pension liability and Note 14 for detail on the net OPEB liability.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

K. Legal Debt Margin

The ORC provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% 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% 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. The effects of these debt limitations at June 30, 2023, are a voted debt margin of $74,301,239 (including available funds of $2,033,970) and an unvoted debt margin of $1,336,170.

NOTE 11 - 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 ten to twenty-five days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Each employee earns sick leave at the rate of one and one-fourth days per month. Upon retirement, payment to certified employees is made for 32 percent of the total sick leave accumulation, up to a maximum accumulation of 89.6 days. Classified employees are paid for 25 percent of the first 200 accumulated days, 33 percent for each day accumulated from 201 to 245 days, and one additional day for each year of service over 20 years. If a classified employee has accumulated a total of 245 sick days or more, and that employee has taken 15 or fewer sick days during the best 4 years of the last 6 years of employment, he/she may receive severance pay for a maximum of 80 days. An employee receiving such payment must have ten full years of service in the District and must meet the retirement provisions set by STRS Ohio and SERS. Two additional days of severance will be granted if the letter is received by December 1.

B. Insurance Benefits

The District provides life insurance and accidental death and dismemberment insurance in the amount of $50,000 to certified employees. For classified employees, group term life insurance is provided in the amount of $25,000.

NOTE 12 - RISK MANAGEMENT

The District does not have a "self-insurance" fund with formalized risk management programs. The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, injuries to employees and natural disasters.

During fiscal year 2023, the District purchased from Hylant Administrative Services, general liability insurance, which carried a $1 million per occurrence/$6 million annual aggregate limitation.

Fleet and property/casualty insurance are purchased through commercial carriers and traditionally funded.

Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. There has not been a significant reduction in the amounts of insurance coverage from fiscal year 2022.

NOTE 12 - RISK MANAGEMENT - (Continued)

The District has elected to provide employee medical/surgical benefits through Paramount Healthcare, a fully funded program. The District provides dental insurance through Trustmark, a fully funded program. The District also provides life insurance through Anthem Life Insurance and vision insurance through VSP.

Postemployment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 14. As such, no funding provisions are required by the District.

WORKERS' COMPENSATION

The District uses the firm of Sheakley Uniservice, Inc. to provide administrative support for claims processing, and to assist the District in compliance with Bureau of Workers Compensation and Industrial

Commission regulations. The District purchases its workers compensation coverage from the Bureau of Workers' Compensation.

NOTE 13 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

The net pension liability and the net OPEB liability/asset reported on the statement of net position 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.

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.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The remainder of this note includes the required pension disclosures. See Note 14 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 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

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, 2023, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

The District's contractually required contribution to SERS was $969,335 for fiscal year 2023. Of this amount, $123,787 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 East Broad Street, Columbus, Ohio 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. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of 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. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. 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.

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

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 2023 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was $3,440,269 for fiscal year 2023. Of this amount, $581,464 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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.18785120%	0.17738230%	
Proportion of the net pension liability current measurement date	0.17281890%	0.18041913%	
Change in proportionate share	-0.01503230%	0.00303683%	
Proportionate share of the net pension liability	$ 9,347,390	$ 40,107,400	$ 49,454,790
Pension expense	$ (21,307)	$ 4,890,927	$ 4,869,620

At June 30, 2023, 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	$ 378,577	$ 513,427	$ 892,004
Net difference between projected and actual earnings on pension plan investments	-	1,395,650	1,395,650
Changes of assumptions	92,232	4,799,650	4,891,882
Difference between employer contributions and proportionate share of contributions/ change in proportionate share		508,312	508,312
Contributions subsequent to the measurement date	969,335	3,440,269	4,409,604
Total deferred outflows of resources	$ 1,440,144	$ 10,657,308	$ 12,097,452

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 61,363	$ 153,423	$ 214,786
Net difference between projected and actual earnings on pension plan investments	326,178	-	326,178
Changes of assumptions	-	3,612,757	3,612,757
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	684,805	47,473	732,278
Total deferred inflows of resources	$ 1,072,346	$ 3,813,653	$ 4,885,999

$4,409,604 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, 2024.

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:			
2024	$ (389,385)	$ 247,523	$ (141,862)
2025	(288,257)	58,507	(229,750)
2026	(465,954)	(970,185)	(1,436,139)
2027	542,059	4,067,541	4,609,600
Total	$ (601,537)	$ 3,403,386	$ 2,801,849

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.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2022, are presented below:

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

In 2022, 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, 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.

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.

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
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	$ 13,758,912	$ 9,347,390	$ 5,630,743

NOTE 13 - 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, 2022, actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2022 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the prior measurement date, 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, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2022. 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, 2022.

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, 2022, 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	$ 60,587,680	$ 40,107,400	$ 22,787,423

Changes Between Measurement Date and Reporting Date - STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023. It is unknown what effect this change will have on the net pension liability.

NOTE 14 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 13 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.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, 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 2023, 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 2023, the District's surcharge obligation was $131,973.

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 $131,973 for fiscal year 2023. Of this amount, $131,973 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, 2023, 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, 2022, 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 14 - 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	0.18968080%	0.17738230%	
Proportion of the net OPEB liability/asset current measurement date	0.17793330%	0.18041913%	
Change in proportionate share	-0.01174750%	0.00303683%	
Proportionate share of the net OPEB liability	$ 2,498,202	$ -	$ 2,498,202
Proportionate share of the net OPEB asset	$ -	$ (4,671,651)	$ (4,671,651)
OPEB expense	$ (271,044)	$ (824,960)	$ (1,096,004)

At June 30, 2023, 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	$ 21,003	$ 67,727	$ 88,730
Net difference between projected and actual earnings on OPEB plan investments	12,984	81,322	94,306
Changes of assumptions	397,372	198,997	596,369
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	68,136	34,904	103,040
Contributions subsequent to the measurement date	131,973	-	131,973
Total deferred outflows of resources	$ 631,468	$ 382,950	$ 1,014,418

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 1,598,032	$ 701,598	$ 2,299,630
Changes of assumptions	1,025,530	3,312,659	4,338,189
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	586,328	4,630	590,958
Total deferred inflows of resources	$ 3,209,890	$ 4,018,887	$ 7,228,777

$131,973 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, 2024.

NOTE 14 - 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:			
2024	$ (602,828)	$ (1,054,588)	$ (1,657,416)
2025	(576,974)	(1,044,291)	(1,621,265)
2026	(516,847)	(501,740)	(1,018,587)
2027	(371,176)	(208,392)	(579,568)
2028	(255,153)	(273,277)	(528,430)
Thereafter	(387,417)	(553,649)	(941,066)
Total	$ (2,710,395)	$ (3,635,937)	$ (6,346,332)

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 14 - 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, 2022 are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	3.69%
Prior measurement date	1.92%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.08%
Prior measurement date	2.27%
Medical trend assumption:	
Current measurement date	7.00 to 4.40%
Prior measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%

In 2022, 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, mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% 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.

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

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 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 long-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 are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08%. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27%. 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, 2022 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 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

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 (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 3,102,805	$ 2,498,202	$ 2,010,124

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 1,926,562	$ 2,498,202	$ 3,244,856

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 actuarial valuation, compared with June 30, 2021 actuarial valuation, are presented below:

	June 30, 2022		June 30, 2021	
Inflation	2.50%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, 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%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

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

For the June 30, 2022 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

For the prior measurement date, 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, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

Benefit Term Changes Since the Prior Measurement Date - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

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	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.
**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2022. 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 those 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, 2022. 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, 2022.

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, 2022, 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.

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 4,326,036	$ 4,671,651	$ 4,973,883

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 4,845,639	$ 4,671,651	$ 4,452,035

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

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

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

(e) Investments are reported at fair value (GAAP basis) as opposed to cost (budget basis); and,

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

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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	$ (2,204,963)
Net adjustment for revenue accruals	(71,252)
Net adjustment for expenditure accruals	(46,262)
Net adjustment for other sources/uses	(156,291)
Funds budgeted elsewhere	182,966
Adjustment for encumbrances	516,940
GAAP basis	$ (1,778,862)

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the special trust fund, uniform school supplies fund, adult education fund, the public school support fund, and the unclaimed monies fund.

NOTE 16 - 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. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2023, if applicable, cannot be determined at this time.

B. Litigation

The District is involved in no material litigation as either plaintiff or defendant.

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. The District's August 25, 2023 and November 9, 2023 foundation settlement receipts included the FTE adjustments for fiscal year 2023. The FTE adjustment resulted in a decrease of $756 and $0, respectively, and is reported as an intergovernmental receivable in the financial statements.

NOTE 17 - 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 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 years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

NOTE 17 - SET-ASIDES - (Continued)

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, 2022	$ -
Current year set-aside requirement	949,266
Current year offsets	(2,905,948)
Total	$ (1,956,682)
Balance carried forward to fiscal year 2024	$ -
Set-aside balance June 30, 2023	$ -

NOTE 18 - OTHER COMMITMENTS

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

Fund	Fiscal Year-End Encumbrances
General	$ 321,658
Permanent improvement	1,740,103
Other governmental	145,282
Total	$ 2,207,043

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ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS 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 TEN FISCAL YEARS

	2023	**2022**	**2021**	**2020**	**2019**
District's proportion of the net pension liability	0.17281890%	0.18785120%	0.19885380%	0.19507690%	0.18781060%
District's proportionate share of the net pension liability	$ 9,347,390	$ 6,931,165	$ 13,152,609	$ 11,671,793	$ 10,756,261
District's covered payroll	$ 6,878,307	$ 6,229,000	$ 6,674,157	$ 6,743,667	$ 6,380,104
District's proportionate share of the net pension liability as a percentage of its covered payroll	135.90%	111.27%	197.07%	173.08%	168.59%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%	71.36%

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
0.19345910%	0.19238390%	0.18961260%	0.18574300%	0.18574300%
$ 11,558,754	$ 14,080,726	$ 10,819,479	$ 9,400,347	$ 11,045,540
$ 6,029,514	$ 6,074,771	$ 5,708,331	$ 5,397,330	$ 5,212,558
191.70%	231.79%	189.54%	174.17%	211.90%
69.50%	62.98%	69.16%	71.70%	65.52%

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS 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 TEN FISCAL YEARS

	2023	2022	2021	2020	2019
District's proportion of the net pension liability	0.18041913%	0.17738230%	0.17641193%	0.17440452%	0.17518469%
District's proportionate share of the net pension liability	$ 40,107,400	$ 22,679,922	$ 42,685,410	$ 38,568,512	$ 38,519,180
District's covered payroll	$ 23,535,436	$ 21,887,814	$ 21,370,793	$ 20,571,236	$ 20,221,143
District's proportionate share of the net pension liability as a percentage of its covered payroll	170.41%	103.62%	199.74%	187.49%	190.49%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%	77.31%

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
	0.17294305%	0.17215747%	0.16535905%	0.16151890%	0.16151890%
	$ 41,082,992	$ 57,626,295	$ 45,700,405	$ 39,286,991	$ 46,798,407
	$ 19,082,029	$ 18,116,214	$ 17,616,257	$ 16,502,769	$ 16,882,762
	215.30%	318.09%	259.42%	238.06%	277.20%
	75.30%	66.80%	72.10%	74.70%	69.30%

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019
Contractually required contribution	$ 969,335	$ 962,963	$ 872,060	$ 934,382	$ 910,395
Contributions in relation to the contractually required contribution	(969,335)	(962,963)	(872,060)	(934,382)	(910,395)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 6,923,821	$ 6,878,307	$ 6,229,000	$ 6,674,157	$ 6,743,667
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	13.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
$ 861,314	$ 844,132	$ 850,468	$ 752,358	$ 748,070
(861,314)	(844,132)	(850,468)	(752,358)	(748,070)
$ -	$ -	$ -	$ -	$ -
$ 6,380,104	$ 6,029,514	$ 6,074,771	$ 5,708,331	$ 5,397,330
13.50%	14.00%	14.00%	13.18%	13.86%

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019
Contractually required contribution	$ 3,440,269	$ 3,294,961	$ 3,064,294	$ 2,991,911	$ 2,879,973
Contributions in relation to the contractually required contribution	(3,440,269)	(3,294,961)	(3,064,294)	(2,991,911)	(2,879,973)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 24,573,350	$ 23,535,436	$ 21,887,814	$ 21,370,793	$ 20,571,236
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018		2017		2016		2015		2014	
$	2,830,960	$	2,671,484	$	2,536,270	$	2,466,276	$	2,145,360
	(2,830,960)		(2,671,484)		(2,536,270)		(2,466,276)		(2,145,360)
$	-	$	-	$	-	$	-	$	-
$	20,221,143	$	19,082,029	$	18,116,214	$	17,616,257	$	16,502,769
	14.00%		14.00%		14.00%		14.00%		13.00%

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS 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 SEVEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net OPEB liability	0.17793330%	0.18968080%	0.19745220%	0.19694730%
District's proportionate share of the net OPEB liability	$ 2,498,202	$ 3,589,865	$ 4,291,283	$ 4,952,810
District's covered payroll	$ 6,878,307	$ 6,229,000	$ 6,674,157	$ 6,743,667
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	36.32%	57.63%	64.30%	73.44%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%

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

2019		2018		2017	
	0.19026130%		0.19631960%		0.19455434%
$	5,278,362	$	5,268,702	$	5,545,518
$	6,380,104	$	6,029,514	$	6,074,771
	82.73%		87.38%		91.29%
	13.57%		12.46%		11.49%

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS 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 SEVEN FISCAL YEARS

	2023	2022	2021	2020	2019
District's proportion of the net OPEB liability/asset	0.18041913%	0.17738230%	0.17641193%	0.17440452%	0.17518469%
District's proportionate share of the net OPEB liability/(asset)	$ (4,671,651)	$ (3,739,961)	$ (3,100,438)	$ (2,888,557)	$ (2,815,039)
District's covered payroll	$ 23,535,436	$ 21,887,814	$ 21,370,793	$ 20,571,236	$ 20,221,143
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	19.85%	17.09%	14.51%	14.04%	13.92%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.10%	174.40%	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
	0.17294305%	0.17215747%
	$ 6,747,600	$ 9,207,026
	$ 19,082,029	$ 18,116,214
	35.36%	50.82%
	47.10%	37.30%

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019
Contractually required contribution	$ 131,973	$ 122,463	$ 103,299	$ 84,762	$ 140,018
Contributions in relation to the contractually required contribution	(131,973)	(122,463)	(103,299)	(84,762)	(140,018)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 6,923,821	$ 6,878,307	$ 6,229,000	$ 6,674,157	$ 6,743,667
Contributions as a percentage of covered payroll	1.91%	1.78%	1.66%	1.27%	2.08%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2018	2017	2016	2015	2014
	$ 133,479	$ 107,014	$ 96,705	$ 134,607	$ 92,388
	(133,479)	(107,014)	(96,705)	(134,607)	(92,388)
	$ -	$ -	$ -	$ -	$ -
	$ 6,380,104	$ 6,029,514	$ 6,074,771	$ 5,708,331	$ 5,397,330
	2.09%	1.77%	1.59%	2.36%	1.71%

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019
Contractually required contribution	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 24,573,350	$ 23,535,436	$ 21,887,814	$ 21,370,793	$ 20,571,236
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
$ -	$ -	$ -	$ -	$ 167,119
-	-	-	-	(167,119)
$ -	$ -	$ -	$ -	$ -
$ 20,221,143	$ 19,082,029	$ 18,116,214	$ 17,616,257	$ 16,502,769
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 year 2014.
There were no changes in benefit terms from the amounts reported for fiscal year 2015.
There were no changes in benefit terms from the amounts reported for fiscal year 2016.
There were no changes in benefit terms from the amounts reported for fiscal year 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%.
For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.
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%.
There were no changes in benefit terms from the amounts reported for fiscal year 2023.

Changes in assumptions :
There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 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 Weighted Below Median Healthy Retiree mortality table.

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

(Continued)

PENSION (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :
There were no changes in benefit terms from the amounts reported for fiscal year 2014.
There were no changes in benefit terms from the amounts reported for fiscal year 2015.
There were no changes in benefit terms from the amounts reported for fiscal year 2016.
There were no changes in benefit terms from the amounts reported for fiscal year 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.
There were no changes in benefit terms from amounts previously reported for fiscal year 2023.

Changes in assumptions :
There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
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 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%.
For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.

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 year 2017.
There were no changes in benefit terms from the amounts reported for fiscal year 2018.
There were no changes in benefit terms from the amounts reported for fiscal year 2019.
There were no changes in benefit terms from the amounts reported for fiscal year 2020.
There were no changes in benefit terms from the amounts reported for fiscal year 2021.
There were no changes in benefit terms from the amounts reported for fiscal year 2022.
There were no changes in benefit terms from the amounts reported for fiscal year 2023.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO (CONTINUED)

Changes in assumptions :
For fiscal year 2017, 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.

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%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.

For fiscal year 2022, the following changes of assumptions affected the total OPEB 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 Weighted Below Median Healthy Retiree mortality table.

For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.

(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.

There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.

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.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO (CONTINUED)

Changes in assumptions (continued) :

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.

For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR ***Pass Through Grantor*** Program / Cluster Title	**Assistance Listing Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE		
Passed Through Ohio Department of Education and Workforce		
Child Nutrition Cluster:		
School Breakfast Program	10.553	$ 52,385
National School Lunch Program	10.555	434,148
COVID-19 National School Lunch Program	10.555	113,006
Non-Cash Assistance (Food Distribution)	10.555	128,439
Total National School Lunch Program		675,593
Total Child Nutrition Cluster		727,978
COVID-19 Pandemic EBT Administrative Costs	10.649	628
Total U.S. Department of Agriculture		**728,606**
U.S. DEPARTMENT OF EDUCATION		
Consortium Amount Passed/Transferred to Consortium to Perrysburg Exempt Village School District		
English Language Acquisition State Grants	84.365	3,652
Consortium Amount Passed/Transferred to Consortium to Educational Service Center of Lake Erie West		
Special Education Cluster:		
Special Education_Early Childhood (IDEA, Part B)	84.173	36,145
Passed Through Ohio Department of Education and Workforce		
Special Education Cluster:		
Special Education_Grants to States (IDEA, Part B)	84.027	926,548
Special Education_Grants to States (IDEA, Part B): ARP	84.027	105,149
Total Special Education Cluster		1,067,842
Title I Grants to Local Educational Agencies	84.010	385,126
Improving Teacher Quality State Grants	84.367	99,952
Student Support and Academic Enrichment Program	84.424	30,924
Education Stabilization Fund:		
COVID-19 Elementary and Secondary School Emergency Relief (ESSER II)	84.425D	381,306
COVID-19 Elementary and Secondary School Emergency Relief (ESSER III)	84.425D	987,264
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	115,780
COVID-19 Emergency Relief - Homeless Children and Youth	84.425W	6,459
Total Education Stabilization Fund		1,490,809
Total U.S. Department of Education		**3,078,305**
U.S. DEPARTMENT OF TREASURY		
Passed Through Ohio Department of Ohio Facilities Construction Commission		
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	157,125
Emergency Connectivity Fund Program	32.009	123,375
Total U.S. Department of Treasury		**280,500**
Total Expenditures of Federal Awards		**$ 4,087,411**

The accompanying notes are an integral part of this schedule.

ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Anthony Wayne Local School District, Lucas County, Ohio (the District) under programs of the federal government for the year ended June 30, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting, except expenditures passed through to the ESC of Lake Erie West and Perrysburg Schools are presented on an accrual basis. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The District has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F – TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with Ohio Department of Education's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2023 to 2024 programs:

Program Title	AL Number		Amt. Transferred
Title I Grants to Local Educational Agencies	84.010	$	25,195
Improving Teacher Quality State Grants	84.367	$	2,688
Student Support and Academic Enrichment Program	84.424	$	8,424
Special Education Grants to States	84.027	$	27,924
American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	$	11,443
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	$	972,834

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
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(800) 282-0370

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

Anthony Wayne Local School District
Lucas County
9565 Bucher Road
P.O. Box 2487
Whitehouse, Ohio 43571-0486

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Anthony Wayne Local School District, Lucas County, Ohio (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 28, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

February 28, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

Anthony Wayne Local School District
Lucas County
9565 Bucher Road
Whitehouse, Ohio 43571-0486

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Anthony Wayne Local School District, Lucas County, Ohio's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Anthony Wayne Local School District's major federal programs for the year ended June 30, 2023. Anthony Wayne Local School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Anthony Wayne Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

February 28, 2024

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ANTHONY WAYNE LOCAL SCHOOL DISTRICT
LUCAS COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any 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 (list):**	Education Stabilization Fund AL #84.425 Special Education Cluster
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE
KEITH FABER

ANTHONY WAYNE LOCAL SCHOOL DISTRICT

LUCAS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/21/2024

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