

GAHANNA-JEFFERSON PUBLIC
SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023



Rea & associates

www.reacpa.com

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Education
Gahanna - Jefferson Public School District
160 South Hamilton Road
Gahanna, Ohio 43230

We have reviewed the *Independent Auditor's Report* of the Gahanna - Jefferson Public School District, Franklin County, prepared by Rea & Associates, Inc., for the audit period July 1, 2022 through June 30, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

March 18, 2024

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Gahanna-Jefferson Public School District
Franklin County, Ohio
June 30, 2023

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Franklin County, Ohio
June 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Gahanna-Jefferson Public School District
Franklin County, Ohio
160 South Hamilton Road
Gahanna, OH 43230

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Gahanna-Jefferson Public School District, Franklin 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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Gahanna-Jefferson Public School District, Franklin County, Ohio, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective 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 (*Government Auditing Standards*). 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 pension and other post-employment benefit schedules, as listed in the table of contents, 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 GAAS, 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 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 GAAS. 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 January 30, 2024 on our consideration of the District's internal control over financial reporting and on 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.

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
January 30, 2024

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Gahanna-Jefferson Public School District
Franklin County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

As management of the Gahanna-Jefferson Public School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District 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 notes to the basic financial statements and financial statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$38.0 million.
- The District's total net position increased by \$25.5 million in comparison with the prior fiscal year.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$278.1 million, a decrease of \$38.5 million in comparison with the prior fiscal year.
- The District implemented GASB 96 during fiscal year 2023, which caused the District to recognize the intangible right-to-use software as of July 1, 2022.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

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

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

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

Gahanna-Jefferson Public School District
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(Unaudited)

These two statements report the District's net position and changes in net position. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

In the Statement of Net Position and the Statement of Activities, all of the District's activities are reported as governmental including instruction, support services, community services, non-instructional services and extracurricular activities.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and building fund, each of which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Gahanna-Jefferson Public School District
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Proprietary Funds. Proprietary funds use the accrual basis of accounting; the same as on the entity-wide statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various funds. The District uses an internal service fund to account for workers compensation and dental claims and premiums. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the governmental-wide financial statements.

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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's progress in funding its obligation to provide pension/OPEB benefits to its employees.

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Gahanna-Jefferson Public School District
Franklin County, Ohio
Management's Discussion and Analysis
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(Unaudited)

Government-Wide Financial Analysis

The table below provides a summary of the District's net position for 2023 and 2022:

	Governmental Activities		
	2023	Restated 2022	Change
Assets			
Current & Other Assets	\$ 374,137,357	\$ 410,302,470	\$ (36,165,113)
Net Pension/OPEB Asset	10,478,273	8,421,886	2,056,387
Capital Assets	149,145,295	100,265,606	48,879,689
<i>Total Assets</i>	<u>533,760,925</u>	<u>518,989,962</u>	<u>14,770,963</u>
Deferred Outflows of Resources			
Deferred Charges	230,134	268,489	(38,355)
Pension & OPEB	31,375,049	29,225,600	2,149,449
<i>Total Deferred Outflows of Resources</i>	<u>31,605,183</u>	<u>29,494,089</u>	<u>2,111,094</u>
Liabilities			
Current & Other Liabilities	18,520,636	15,933,479	2,587,157
Long-Term Liabilities:			
Due Within One Year	12,621,332	14,738,296	(2,116,964)
Due In More Than One Year:			
Pension & OPEB	112,785,214	68,452,333	44,332,881
Other Amounts	284,310,110	296,994,276	(12,684,166)
<i>Total Liabilities</i>	<u>428,237,292</u>	<u>396,118,384</u>	<u>32,118,908</u>
Deferred Inflows of Resources			
Property Taxes	66,435,377	66,424,855	10,522
Leases	8,501,719	7,811,416	690,303
Pension & OPEB	24,193,157	65,589,796	(41,396,639)
<i>Total Deferred Inflows of Resources</i>	<u>99,130,253</u>	<u>139,826,067</u>	<u>(40,695,814)</u>
Net Position			
Net Investment in Capital Assets	63,502,649	48,303,198	15,199,451
Restricted	23,209,766	9,403,099	13,806,667
Unrestricted	(48,713,852)	(45,166,697)	(3,547,155)
<i>Total Net Position</i>	<u>\$ 37,998,563</u>	<u>\$ 12,539,600</u>	<u>\$ 25,458,963</u>

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During fiscal year 2023, the District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. As a result, the fiscal year 2022 financial statements were restated for subscriptions payable and related capital assets, being depreciated/amortized, net.

Current and other assets decreased significantly in comparison with the prior fiscal year-end. This decrease primarily consists of a decrease in cash and investments due to money spent on ongoing projects for the District.

Capital assets, net increased significantly due to continued construction in progress and other additions related to construction projects, which was partially offset by depreciation expense and current year disposals.

Current liabilities increased in comparison with the prior fiscal year primarily due to increases in contracts and retainage payable due to unpaid obligations for capital asset projects.

The net pension and net OPEB liabilities, net OPEB asset and related deferred outflows and inflows of resources all fluctuated significantly in comparison with the prior fiscal year-end. These fluctuations are primarily the result of changes in benefit terms, changes in actuarial assumptions, and lower than expected returns on pension plan investments.

A large portion of the District's net position reflect its investment in capital assets (e.g., land, buildings, equipment, and intangible right-to-use equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

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Gahanna-Jefferson Public School District
Franklin County, Ohio
Management's Discussion and Analysis
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(Unaudited)

The table below shows the change in net position for fiscal year 2023 and 2022:

	Governmental Activities		
	2023	2022	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services	\$ 4,663,080	\$ 2,991,671	\$ 1,671,409
Operating Grants	13,769,034	13,051,310	717,724
<i>Total Program Revenues</i>	<u>18,432,114</u>	<u>16,042,981</u>	<u>2,389,133</u>
General Revenues			
Property Taxes	92,280,881	84,861,774	7,419,107
Grants & Entitlements	20,199,349	19,908,576	290,773
Payments in Lieu of Taxes	12,858,537	12,589,493	269,044
Miscellaneous	8,583,855	(3,834,982)	12,418,837
<i>Total General Revenues</i>	<u>133,922,622</u>	<u>113,524,861</u>	<u>20,397,761</u>
<i>Total Revenues</i>	<u>152,354,736</u>	<u>129,567,842</u>	<u>22,786,894</u>
Program Expenses			
Instruction:			
Regular	55,883,224	46,117,337	9,765,887
Special	18,990,266	15,813,448	3,176,818
Vocational	378,664	351,796	26,868
Student Intervention Services	209,535	242,911	(33,376)
Other	8,138	185,879	(177,741)
Support Services:			
Pupils	8,112,003	6,359,899	1,752,104
Instructional Staff	4,255,523	3,458,196	797,327
Board of Education	492,534	-	492,534
Administration	8,127,561	6,919,304	1,208,257
Fiscal	2,769,929	2,211,650	558,279
Business	657,225	472,715	184,510
Operation and Maintenance of Plant	5,795,062	3,988,519	1,806,543
Pupil Transportation	5,249,353	4,806,182	443,171
Central	2,511,065	1,963,188	547,877
Operation of Non-Instructional Services	4,169,399	3,974,016	195,383
Extracurricular Activities	1,999,463	1,764,638	234,825
Interest Expense	7,286,829	7,552,633	(265,804)
<i>Total Expenses</i>	<u>126,895,773</u>	<u>106,182,311</u>	<u>20,713,462</u>
<i>Change in Net Position</i>	25,458,963	23,385,531	2,073,432
<i>Net Position Beginning of Year</i>	<u>12,539,600</u>	<u>(10,845,931)</u>	
<i>Net Position End of Year</i>	<u>\$ 37,998,563</u>	<u>\$ 12,539,600</u>	

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Property taxes increased in comparison with the prior fiscal year. This increase is the result of a significant increase in amounts available for advance due to the extension of the due date of the second half taxes due to the COVID-19 pandemic in a prior year, which affected prior year estimates. Charges for services increased between years mainly due to the resumption of charges for school food service after the end of subsidies related to the COVID-19 pandemic. The District received additional grant funds related to the COVID-19 pandemic through the ESSER programs, resulting in an increase in operating grants.

Investment earnings increased significantly in comparison with the prior fiscal year. This increase is primarily the result of rising interest rates during the fiscal year.

Total expenses increased in comparison with the prior fiscal year. This increase is primarily the result of an increase in pension and OPEB expenses incurred for the year.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at year-end.

The District's governmental funds decreased in comparison with the prior fiscal year. The schedule below indicates the fund balances and the total change in fund balances as of June 30, 2023 for all major governmental funds.

Funds:	Fund Balance June 30, 2023	Fund Balance June 30, 2022	Increase/ (Decrease)
General	\$ 67,547,460	\$ 59,250,305	\$ 8,297,155
Debt Service	12,236,434	17,129,198	(4,892,764)
Building	190,632,534	231,121,365	(40,488,831)

General Fund

The general fund is the chief operating fund of the District. The increase in fund balance during the current year mainly represents the amount in which property taxes and related receipts, payments in lieu of taxes, tuition and fees, and intergovernmental revenues exceeded instructional and support service expenditures during the fiscal year. Property taxes increased significantly in comparison with the prior fiscal year. This increase is the result of a significant increase in amounts available for advance due in the current fiscal year.

Gahanna-Jefferson Public School District
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Debt Service Fund

The decrease in fund balance during the current year represents the amount in which debt service requirements exceeded current year property tax and related receipts.

Building Fund

The decrease in fund balance during the current year represents the spending down of bond proceeds on capital projects.

General Fund Budgetary Highlights

The District's budget is prepared in accordance with 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. Budgetary information is presented only for the general fund in the financial statements.

The District's final estimated revenues did not change compared to the original estimated amounts. The District's actual revenues and other financing sources exceeded final estimated revenues and other financing sources. This variance was mainly the result of underestimated payments in lieu of taxes, intergovernmental revenue, and transfers in.

The District's final appropriations and other financing uses exceeded the original amounts. This increase was mainly the result of an increase in administration, operation and maintenance of plant, and pupil transportation support services, as well as an increase in transfers out. The District's final appropriations and other financing uses exceeded the actual amounts as a result of conservative spending.

Capital Assets

At fiscal year-end, the District capital assets increased in comparison with the prior fiscal year. This increase represents the amount in which current year additions exceeded current year depreciation/amortization and disposals due to major construction projects as well as construction in progress. See note 9 to the basic financial statements for additional information on Capital Assets.

Debt

At fiscal year-end, the District's outstanding long-term debt decreased in comparison with the prior fiscal year-end. This decrease represents current year principal payments and premium amortization. Detailed information regarding long-term debt is included in Note 10 to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
(Unaudited)

Request for Information

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 the treasurer's office, Gahanna-Jefferson Public School District, 160 S. Hamilton Road, Gahanna, Ohio 43230.

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Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 259,946,972
Accrued Interest Receivable	65,672
Due from Other Governments	1,934,072
Property Taxes Receivable	92,275,581
Payments in Lieu of Taxes Receivable	11,164,162
Leases Receivable	8,670,120
Materials and Supplies Inventory	80,778
Net OPEB Asset	10,478,273
Depreciable Capital Assets Not Being Depreciated/Amortized	101,369,662
Capital Assets Being Depreciated/Amortized, net	47,775,633
<i>Total Assets</i>	533,760,925
Deferred Outflows of Resources	
Deferred Charges on Refunding	230,134
Pension	28,829,895
OPEB	2,545,154
<i>Total Deferred Outflows of Resources</i>	31,605,183
Liabilities	
Accounts Payable	771,611
Accrued Wages and Benefits	7,865,174
Contracts Payable	4,395,511
Retainage Payable	1,369,698
Payroll Withholdings Payable	13,006
Due to Other Governments	1,776,243
Accrued Interest Payable	662,465
Claims Payable	81,743
Matured Compensated Absences Payable	48,236
Unearned Revenue	1,536,949
Long-Term Liabilities:	
Due Within One Year	12,621,332
Due In More Than One Year:	
Net Pension Liability	108,067,141
Net OPEB Liability	4,718,073
Other Amounts Due in More Than One Year	284,310,110
<i>Total Liabilities</i>	428,237,292
Deferred Inflows of Resources	
Property Taxes Levied for the Next Year	66,435,377
Leases	8,501,719
Pension	9,588,491
OPEB	14,604,666
<i>Total Deferred Inflows of Resources</i>	99,130,253
Net Position	
Net Investment in Capital Assets	63,502,649
Restricted for:	
Capital Outlay	3,575,762
Debt Service	9,457,523
Permanent Improvements	4,213,449
Locally Funded Programs	115,580
Scholarships	142,593
Extracurricular Activities	1,115,873
State Funded Programs	164,871
Federally Funded Programs	31,410
Food Service	2,356,363
Other Purposes	2,036,342
Unrestricted	(48,713,852)
<i>Total Net Position</i>	\$ 37,998,563

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin 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, Contributions and Interest	Governmental Activities
Governmental Activities				
Instruction:				
Regular	\$ 55,883,224	\$ 1,196,328	\$ 3,056,842	\$ (51,630,054)
Special	18,990,266	861,872	4,401,572	(13,726,822)
Vocational	378,664	-	-	(378,664)
Student Intervention Services	209,535	-	239,277	29,742
Other	8,138	-	9,293	1,155
Support Services:				
Pupils	8,112,003	52,883	1,278,960	(6,780,160)
Instructional Staff	4,255,523	-	678,249	(3,577,274)
Board of Education	492,534	-	470	(492,064)
Administration	8,127,561	52,526	142,007	(7,933,028)
Fiscal	2,769,929	-	-	(2,769,929)
Business	657,225	452	18	(656,755)
Operation and Maintenance of Plant	5,795,062	-	364,021	(5,431,041)
Pupil Transportation	5,249,353	-	631,254	(4,618,099)
Central	2,511,065	55,288	26,206	(2,429,571)
Operation of Non-Instructional Services	4,169,399	1,823,503	2,868,208	522,312
Extracurricular Activities	1,999,463	620,228	72,657	(1,306,578)
Interest Expense	7,286,829	-	-	(7,286,829)
<i>Total</i>	<u>\$ 126,895,773</u>	<u>\$ 4,663,080</u>	<u>\$ 13,769,034</u>	<u>(108,463,659)</u>

General Revenues

Property Taxes Levied for:	
General Purposes	76,288,564
Debt Service	10,475,858
Permanent Improvement	5,516,459
Grants and Entitlements not Restricted to Specific Programs	20,199,349
Payments in Lieu of Taxes	12,858,537
Investment Earnings	7,360,496
Miscellaneous	1,223,359
<i>Total General Revenues</i>	<u>133,922,622</u>
<i>Change in Net Position</i>	25,458,963
<i>Net Position Beginning of Year</i>	<u>12,539,600</u>
<i>Net Position End of Year</i>	<u>\$ 37,998,563</u>

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Balance Sheet
Governmental Funds
June 30, 2023

	General	Debt Service Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Investments	\$ 46,050,024	\$ 7,873,589	\$ 195,607,055	\$ 9,510,655	\$ 259,041,323
Accrued Interest Receivable	65,672	-	-	-	65,672
Interfund Receivable	1,032,538	-	-	-	1,032,538
Due from Other Governments	-	-	-	1,934,072	1,934,072
Property Taxes Receivable	75,518,486	10,991,966	-	5,765,129	92,275,581
Payments in Lieu of Taxes Receivable	11,164,162	-	-	-	11,164,162
Leases Receivable	8,670,120	-	-	-	8,670,120
Materials and Supplies Inventory	14,057	-	-	66,721	80,778
<i>Total Assets</i>	<u>\$ 142,515,059</u>	<u>\$ 18,865,555</u>	<u>\$ 195,607,055</u>	<u>\$ 17,276,577</u>	<u>\$ 374,264,246</u>
Liabilities					
Accounts Payable	\$ 674,187	\$ -	\$ 2,250	\$ 95,174	\$ 771,611
Accrued Wages and Benefits	7,042,980	-	-	822,194	7,865,174
Contracts Payable	-	-	3,602,573	792,938	4,395,511
Retainage Payable	-	-	1,369,698	-	1,369,698
Payroll Withholdings Payable	13,006	-	-	-	13,006
Due to Other Governments	1,655,501	-	-	120,742	1,776,243
Interfund Payable	-	-	-	1,032,538	1,032,538
Accrued Interest Payable	-	-	-	4,038	4,038
Matured Compensated Absences Payable	48,236	-	-	-	48,236
Unearned Revenue	278,108	-	-	1,200,000	1,478,108
Notes Payable	-	-	-	1,615,000	1,615,000
<i>Total Liabilities</i>	<u>9,712,018</u>	<u>-</u>	<u>4,974,521</u>	<u>5,682,624</u>	<u>20,369,163</u>
Deferred Inflows of Resources					
Property Taxes Levied for the Next Year	56,396,171	6,585,390	-	3,453,816	66,435,377
Unavailable Revenue	357,691	43,731	-	406,784	808,206
Leases	8,501,719	-	-	-	8,501,719
<i>Total Deferred Inflows of Resources</i>	<u>65,255,581</u>	<u>6,629,121</u>	<u>-</u>	<u>3,860,600</u>	<u>75,745,302</u>
Fund Balances					
Nonspendable	14,057	-	-	-	14,057
Restricted	55,857	12,236,434	190,632,534	8,088,252	211,013,077
Committed	4,291,922	-	-	-	4,291,922
Assigned	4,633,210	-	-	-	4,633,210
Unassigned	58,552,414	-	-	(354,899)	58,197,515
<i>Total Fund Balance</i>	<u>67,547,460</u>	<u>12,236,434</u>	<u>190,632,534</u>	<u>7,733,353</u>	<u>278,149,781</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 142,515,059</u>	<u>\$ 18,865,555</u>	<u>\$ 195,607,055</u>	<u>\$ 17,276,577</u>	<u>\$ 374,264,246</u>

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2023

Total Governmental Fund Balances		\$ 278,149,781
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		149,145,295
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	386,985	
Due from Other Governments	383,637	
Interest	37,584	808,206
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets, liabilities, deferred outflows/inflows of resources of the internal service fund are included in governmental activities in the statement of net position.		765,065
Accrued interest payable is not due and payable in the current period and therefore not reported in the funds.		(658,427)
Unamortized loss on refunding represents deferred outflows, which do not use current financial resources and, therefore, are not reported in the funds.		230,134
The net pension liability and net OPEB liability (asset) are not due and payable in the current period, therefore, the liability (asset) and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	10,478,273	
Deferred Outflows - Pension	28,829,895	
Deferred Outflows - OPEB	2,545,154	
Net Pension Liability	(108,067,141)	
Net OPEB Liability	(4,718,073)	
Deferred Inflows - Pension	(9,588,491)	
Deferred Inflows - OPEB	(14,604,666)	(95,125,049)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Bonds and Notes Payable	(271,130,268)	
Bond and Note Premiums	(18,042,730)	
Leases Payable	(134,548)	
Subscriptions Payable	(184,284)	
Compensated Absences	(5,824,612)	(295,316,442)
<i>Net Position of Governmental Activities</i>		\$ 37,998,563

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	General	Debt Service Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property and Other Local Taxes	\$ 76,340,729	\$ 10,474,122	\$ -	\$ 5,517,420	\$ 92,332,271
Intergovernmental	21,594,110	115,140	-	11,944,176	33,653,426
Investment Income	655,457	213,268	6,472,594	117,443	7,458,762
Tuition and Fees	1,725,244	-	-	-	1,725,244
Extracurricular Activities	113,590	-	-	610,455	724,045
Charges for Services	33,154	-	-	1,823,503	1,856,657
Rent	357,135	-	-	-	357,135
Contributions and Donations	44,513	-	-	59,883	104,396
Payments in Lieu of Taxes	12,905,455	-	-	-	12,905,455
Lease Revenue	229,381	-	-	-	229,381
Miscellaneous	844,977	-	-	267,424	1,112,401
<i>Total Revenues</i>	<u>114,843,745</u>	<u>10,802,530</u>	<u>6,472,594</u>	<u>20,340,304</u>	<u>152,459,173</u>
Expenditures					
Current:					
Instruction:					
Regular	51,121,236	-	-	3,931,616	55,052,852
Special	15,971,507	-	-	3,202,778	19,174,285
Vocational	375,483	-	-	-	375,483
Student Intervention Services	-	-	-	209,535	209,535
Other	-	-	-	8,138	8,138
Support Services:					
Pupils	6,961,062	-	-	1,211,193	8,172,255
Instructional Staff	3,757,538	-	-	637,876	4,395,414
Board of Education	473,527	-	-	1,000	474,527
Administration	8,082,556	-	-	124,868	8,207,424
Fiscal	2,410,665	134,136	208,000	70,389	2,823,190
Business	656,562	-	-	487	657,049
Operation and Maintenance of Plant	5,487,890	-	-	467,372	5,955,262
Pupil Transportation	5,077,413	-	-	533,677	5,611,090
Central	2,558,386	-	-	33,429	2,591,815
Operation of Non-Instructional Services	2,561	-	-	4,215,026	4,217,587
Extracurricular Activities	1,392,754	-	-	654,458	2,047,212
Capital Outlay	6,004	-	46,753,425	3,039,732	49,799,161
Debt Service					
Principal Retirement	318,206	10,905,999	-	2,140,000	13,364,205
Interest and Fiscal Charges	4,071	6,543,548	-	1,296,463	7,844,082
<i>Total Expenditures</i>	<u>104,657,421</u>	<u>17,583,683</u>	<u>46,961,425</u>	<u>21,778,037</u>	<u>190,980,566</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>10,186,324</u>	<u>(6,781,153)</u>	<u>(40,488,831)</u>	<u>(1,437,733)</u>	<u>(38,521,393)</u>
Transfers In	-	1,888,389	-	40,669	1,929,058
Transfers Out	(1,889,169)	-	-	(39,889)	(1,929,058)
<i>Net Change in Fund Balances</i>	8,297,155	(4,892,764)	(40,488,831)	(1,436,953)	(38,521,393)
<i>Fund Balances Beginning of Year</i>	<u>59,250,305</u>	<u>17,129,198</u>	<u>231,121,365</u>	<u>9,170,306</u>	<u>316,671,174</u>
<i>Fund Balances End of Year</i>	<u>\$ 67,547,460</u>	<u>\$ 12,236,434</u>	<u>\$ 190,632,534</u>	<u>\$ 7,733,353</u>	<u>\$ 278,149,781</u>

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin 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		\$ (38,521,393)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital Asset Additions	52,033,301	
Current Year Depreciation/Amortization	(3,145,209)	48,888,092
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(8,403)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	(51,389)	
Payments in Lieu of Taxes	(46,918)	
Intergovernmental	183,122	
Interest	(70,829)	
Leases	(118,423)	(104,437)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Bonds and Notes Principal Payments	13,045,999	
Subscriptions Principal Payments	125,791	
Lease Principal Payments	192,415	13,364,205
Amortization of bond premium/discount on bonds are not reported in the fund but are allocated as an expense over the life of the debt in the statement of activities.		
		589,981
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and the gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Accrued Interest Payable	5,627	
Amortization of Refunding Loss	(38,355)	(32,728)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	10,444,092	
OPEB	160,871	10,604,963
Except for amount 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	(11,603,127)	
OPEB	2,267,758	(9,335,369)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		14,052
<i>Change in Net Position of Governmental Activities</i>		\$ 25,458,963

Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property and Other Local Taxes	\$ 75,237,393	\$ 75,237,393	\$ 75,118,562	\$ (118,831)
Intergovernmental	20,491,108	20,491,108	21,589,150	1,098,042
Interest on Investments	300,000	300,000	810,951	510,951
Tuition and Fees	1,602,263	1,602,263	1,653,811	51,548
Extracurricular Activities	15,000	15,000	10,725	(4,275)
Charges for Services	30,000	30,000	20,128	(9,872)
Rent	277,000	277,000	425,135	148,135
Contributions and Donations	-	-	39,325	39,325
Payments in Lieu of Taxes	10,805,676	10,805,676	12,905,455	2,099,779
Miscellaneous	463,891	463,891	708,412	244,521
<i>Total Revenues</i>	<u>109,222,331</u>	<u>109,222,331</u>	<u>113,281,654</u>	<u>4,059,323</u>
Expenditures				
Current:				
Instruction:				
Regular	53,479,565	52,651,416	51,493,306	1,158,110
Special	16,699,657	16,598,055	16,297,934	300,121
Vocational	486,155	479,171	397,879	81,292
Student Intervention Services	68,024	67,939	3,864	64,075
Other	5,839	5,839	-	5,839
Support Services:				
Pupils	7,762,872	7,114,466	6,975,865	138,601
Instructional Staff	4,099,035	4,048,717	3,838,951	209,766
Board of Education	865,022	615,636	566,099	49,537
Administration	7,877,388	8,136,911	7,980,822	156,089
Fiscal	2,261,106	2,430,587	2,444,105	(13,518)
Business	439,915	561,994	646,494	(84,500)
Operation and Maintenance of Plant	5,534,704	6,055,732	5,674,816	380,916
Pupil Transportation	5,113,123	5,635,623	5,329,625	305,998
Central	2,613,271	2,712,601	2,690,531	22,070
Operation of Non-Instructional/Shared Services	56	6,000	5,994	6
Extracurricular Activities	1,266,554	1,283,293	1,465,198	(181,905)
Capital Outlay	5,786	33,753	6,004	27,749
<i>Total Expenditures</i>	<u>108,578,072</u>	<u>108,437,733</u>	<u>105,817,487</u>	<u>2,620,246</u>
<i>Excess of Receipts Over (Under) Expenditures</i>	<u>644,259</u>	<u>784,598</u>	<u>7,464,167</u>	<u>6,679,569</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	25,000	25,000	-	(25,000)
Advances In	9,556	9,556	9,556	-
Advances Out	-	-	(17,579)	(17,579)
Transfers In	62,617	62,617	571,396	508,779
Transfers Out	(753,370)	(2,514,456)	(3,154,444)	(639,988)
<i>Total Other Financing Sources (Uses)</i>	<u>(656,197)</u>	<u>(2,417,283)</u>	<u>(2,591,071)</u>	<u>(173,788)</u>
<i>Net Change in Fund Balance</i>	(11,938)	(1,632,685)	4,873,096	6,505,781
<i>Fund Balance Beginning of Year</i>	33,354,938	33,354,938	33,354,938	-
Prior Year Encumbrances Appropriated	2,852,617	2,852,617	2,852,617	-
<i>Fund Balance End of Year</i>	<u>\$ 36,195,617</u>	<u>\$ 34,574,870</u>	<u>\$ 41,080,651</u>	<u>\$ 6,505,781</u>

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Fund Net Position
Proprietary Fund
June 30, 2023

	Governmental Activities	
	Internal Service Fund	
Assets		
<i>Current Assets:</i>		
Equity in Pooled Cash and Investments	\$ 905,649	
<i>Total Current Assets</i>	905,649	
 <i>Current Liabilities:</i>		
Unearned Revenue	58,841	
Claims Payable	81,743	
<i>Total Current Liabilities</i>	140,584	
 Net Position		
Unrestricted	765,065	
Total Net Position	\$ 765,065	

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2023

	Governmental Activities
	Internal Service Fund
Operating Revenues	
Charges for Services	\$ 943,616
<i>Total Operating Revenues</i>	<i>943,616</i>
Operating Expenses	
Purchased Services	99,800
Claims	829,764
<i>Total Operating Expenses</i>	<i>929,564</i>
<i>Operating Income and Change in Net Position</i>	<i>14,052</i>
<i>Net Position Beginning of Year</i>	<i>751,013</i>
<i>Net Position End of Year</i>	<i>\$ 765,065</i>

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2023

	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities	
Cash Received from Charges for Services	\$ 945,894
Cash Payments for Contract Services	(99,800)
Cash Payments for Claims	(860,468)
<i>Net Cash Used for Operating Activities</i>	<i>(14,374)</i>
<i>Net Decrease in Cash and Investments</i>	(14,374)
<i>Cash and Investments Beginning of Year</i>	920,023
<i>Cash and Investments End of Year</i>	\$ 905,649
 Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Income	\$ 14,052
Adjustments:	
Increase (Decrease) in Liabilities:	
Claims Payable	(30,704)
Unearned Revenue	2,278
<i>Net Cash Provided by (Used For) Operating Activities</i>	<i>\$ (14,374)</i>

See accompanying notes to the basic financial statements.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT

The Gahanna Jefferson Public School District (the “District”) is located in Franklin County, Ohio. The District operates under a locally-elected Board form of government and provides educational services as authorized or mandated by state and/or federal agencies. This Board controls the District’s instructional/support facilities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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*. The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. 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. The District had no component units for the current fiscal year.

The District participates in the Metropolitan Educational Technology Association (META). META is composed of over 200 members which includes school districts, joint vocational schools, educational service centers, and libraries covering 37 counties in Central Ohio. The META helps its members purchase services, insurances, supplies, and other items at a discounted rate. The governing board of META is composed of either the superintendent, a designated representative or a member of the board of education for each participating school district in Franklin County and one representative from each county outside of Franklin County. Each year, the participating school districts pay a membership fee to META to cover the costs of administering the program. Financial information may be obtained from the Metropolitan Educational Technology Association Chief Financial Officer, at 2100 Citygate Dr., Columbus, OH 43219.

The District is a member of the Eastland-Fairfield Career and Technical School (School), a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating district’s elected boards, which possesses its own budgeting and taxing authority. Financial information can be obtained from Dawn Lemley, who serves as Treasurer, at 4300 Amalgamated Place, Groveport, Ohio 43125.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Undivided Interest in Joint Operations On February 21, 1996, a contract was entered into between the District and the City of Gahanna (City), a separate legal entity, to construct and operate a vehicle maintenance facility. Based on the terms of the agreement, the entities equally bore the cost related to the construction of the maintenance facility. In exchange for 4.699 acres of land that the City deeded to the District, the City received a credit of \$187,960 toward their share of the cost related to construction. The land was recorded in the District's governmental activities in fiscal year 1996. In 2000, the District's share of construction costs, totaling \$1,234,694, was recorded in the District's governmental activities as a capital asset. Each entity is responsible for managing the operations of their portion of the vehicle maintenance facility.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary governmental is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods or services provided by a given program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District has no enterprise funds.

Measurement Focus, basis of accounting and financial statement presentation

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes and payment in lieu of taxes are recognized as revenues in the year for which they are levied. 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.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expenses/expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refundings and for pensions and other postemployment benefits (OPEB). 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. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payment in lieu of taxes, unavailable revenue, leases, pension, and OPEB. Property taxes and payment 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 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue includes delinquent property taxes, intergovernmental revenues, and interest income. These amounts are only reported on the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 12 and 13).

Gahanna-Jefferson Public School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Expenditures/Expenses

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the Statement of Revenues, Expenditures and Changes in Fund Balance 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. Allocation of cost, such as depreciation and amortization, are not recognized in governmental funds.

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. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific District functions or activities. There are three categories of funds: governmental, proprietary and fiduciary. The District currently has two types of funds: governmental and proprietary.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose 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 liabilities/deferred inflows of resources is reported as fund balance. The following is the District's governmental funds:

MAJOR GOVERNMENTAL FUNDS

General Fund – The general fund is used to account for all financial resources except those required to be accounted for 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.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Building Fund – The building fund is used to account for all transactions related to the school building construction projects.

OTHER GOVERNMENTAL FUNDS

Other Governmental Funds of the District are used to account for grants and other resources whose use is restricted or committed for a particular purpose.

Gahanna-Jefferson Public School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

OTHER FUND TYPES

Internal Service Funds – Funds provided to account for money received from other funds as payment for providing vision, dental and workers’ compensation insurance. Payments are made to a third party administrator for claims payments, claims administration, stop-loss coverage, and medical insurance premiums.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. However, the activity for interfund services in the internal service fund are consolidated with the Governmental Activities on the government-wide financial statements.

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

Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District’s records. Each fund’s interest in the pool is presented as “Equity in Pooled Cash and Investments” on the basic financial statements.

All investments are reported at fair value, which is based on quoted market prices.

STAR 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 the fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes, all investment earnings are assigned to the general fund except those specifically related to certain trust funds, unless the Board of Education specifically directs interest to be recorded in other funds. Interest revenue credited to the general fund during fiscal year 2023 amounted to \$655,457, which includes \$387,071 assigned from other District funds.

Gahanna-Jefferson Public School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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.

Inventory and Prepaid Items

All inventories are valued at cost using the first in, first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. At fiscal year-end, inventory consists of donated food and purchased food and supplies held for resale.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

Capital Assets

General capital assets are those related to governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by proprietary funds are reported on both statement types.

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 acquisition values as of the date received. The District's capitalization threshold is \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are not.

Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20 years
Buildings and improvements	20-50 years
Equipment and fixtures	5-20 years
Vehicles	8 years
Textbooks	6 years

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

Gahanna-Jefferson Public School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Interfund Balances

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

On fund financial statements, receivables and payables resulting from short-term interfund loans between governmental funds are classified as “interfund receivable/payable.” Advances to/from other funds are long-term advances made between governmental funds that are not expected to be repaid within one year. These amounts are eliminated in the governmental activities column on the statement of net position.

Compensated Absences

GASB Statement No. 16, “Accounting for Compensated Absences”, specifies the method used to accrue liabilities for leave benefits. Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that is probable that benefits will result in termination payments. The liability is an estimate based on the District’s past experience of making termination payments. The total liability for vacation and severance payments has been calculated using pay rates in effect at fiscal year-end, 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.

Unearned Revenue

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for unearned revenue.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide and proprietary fund 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 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, leases, subscriptions and other long-term obligations are recognized as a liability on the fund financial statements when due.

Pensions/Other Postemployment Benefits (OPEB)

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

Fund Balance

In accordance with Governmental Accounting Standards Board Statements No. 54, Fund Balance Reporting, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories were used:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – Fund balance is reported as restricted when constraints 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 – Fund balance is reported as committed when there are resources constrained for specific purposes that are internally imposed by formal action (resolution) of the government at the highest level of decision making authority, Board of Education.

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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 as restricted or committed. Although no specific resolution has been made, the District Board of Education authorizes the Treasurer to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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 disbursements are incurred for purposes for which both restricted and unrestricted (committed, assigned and unassigned) fund balance is available. The District considers assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consist of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes represent restricted grants and contributions held at fiscal year-end. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Bond Premiums

On 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.

Extraordinary and Special Items

Extraordinary items are transactions of 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. During the fiscal year, the District did not incur any transactions that would be classified as an extraordinary item or special item.

Gahanna-Jefferson Public School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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.

Budgetary Calendar

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budget documents within an established timetable. The major documents prepared are the Five-Year Forecast, the Certificate of Estimated Resources, and the Appropriations Resolution, all of which are prepared on the budgetary cash basis of accounting. All funds are required to be budgeted and appropriated. The legal level of budgetary control is at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The Certificate of Estimated Resources and the Appropriations Resolution are subject to amendment throughout the year with legal restriction that the appropriations cannot exceed estimated resources, as certified. The amount reported as the original budgeted revenues in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted revenues in the budgetary statement reflect the amounts in the amended certificate that was in effect at the time the final appropriations were passed by the Board of Education. The amounts reported as the original budgeted expenditures 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 expenditures represent the final appropriation amounts passed by the Board during the year.

Implementation of New Accounting Principles

For the fiscal year ended June 30, 2023, the District has implemented GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 93, paragraphs 13 and 14, *Replacement of Interbank Offered Rates*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Available Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and certain provisions of GASB Statement No. 99, *Omnibus 2022*.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the District.

GASB Statement No. 93, paragraphs 13 and 14, provide an exception to the lease modifications guidance in GASB Statement No. 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The implementation of GASB Statement No. 93 paragraphs 13 and 14, did not have an effect on the financial statements of the District.

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Notes to the Basic Financial Statements
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GASB Statement No. 94 improves financial reporting by establishing the definitions of public-private and public-public partnership arrangements and availability payment arrangements as well as provides uniform guidance on accounting and financial reporting for transactions that meet the definitions. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the District.

GASB Statement No. 96 improves financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The statement also enhances the relevance and reliability of the financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and discloses essential information about the arrangement. The note disclosures also allow the users to understand the scale and important aspects of the SBITA activities and evaluate the obligations and assets resulting from the SBITAs. These changes were incorporated into the District's fiscal year 2023 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves 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 certain provisions of GASB Statement No. 99 that relate to extension of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, and pledges of future revenues by pledging governments, did not have an effect on the financial statements of the District.

NOTE 3 – DEPOSITS AND INVESTMENTS

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

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

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

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

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

Gahanna-Jefferson Public School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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

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.

Gahanna-Jefferson Public School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Deposits with Financial Institutions

Custodial credit risk for deposits 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. At fiscal year-end, the bank balance of the District's deposits was \$18,464,273. Of the District's bank balance, \$270,409 was covered by the Federal Depository Insurance Company (FDIC) and the remaining balance was uninsured and collateralized. The District's financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System.

Ohio law requires that deposits either be insured or be protected by:

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

Investments

At fiscal year-end, the District reported the following investments at fair value:

Investment Type	Standard & Poor's Rating	Fair Value*	Percent of Total	Investment Maturities		
				Within 1 Year	1 to 3 Years	Greater than 3 Years
STAR Ohio	AAAm	\$ 10,836,063	4.49%	\$ 10,836,063	\$ -	\$ -
Money Market	AAAm	3,844,717	1.59%	3,844,717	-	-
FFCB	AA	37,920,784	15.69%	36,362,608	1,085,498	472,678
FNMA	AA	10,028,877	4.15%	9,811,360	217,517	-
FHLB	AA	43,563,490	18.03%	35,622,750	6,967,559	973,181
FHLMC	AA	9,982,211	4.13%	9,655,558	326,653	-
FAMC	AA	249,025	0.10%	-	249,025	-
U.S. Treasury Notes	AA	34,631,838	14.33%	27,628,755	4,191,871	2,811,212
Commercial Paper	A-1	84,734,981	35.07%	84,734,981	-	-
Municipal Bonds	AA	1,177,128	0.49%	1,177,128	-	-
Municipal Issue	AA	3,109,285	1.29%	3,109,285	-	-
Negotiable CDs	N/A	1,542,089	0.64%	1,156,598	385,491	-
Total		\$ 241,620,488	100.00%	\$ 223,939,803	\$ 13,423,614	\$ 4,257,071

* The District's money market funds and STAR Ohio are valued at net asset value (NAV).

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. All of the District's fair value measurements are valued using Level 2 inputs.

Gahanna-Jefferson Public School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

In addition, in accordance with GASB Statement No. 79, the District’s investment in STAR Ohio is reported at amortized cost. For the fiscal year ended June 30, 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2023, is 39 days.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the District’s investment policy limits investment portfolio maturities to five years or less, unless matched to a specific obligation or debt of the District. All investments outstanding at fiscal year-end mature within five years.

Credit Risk: The District’s investment policy limits investments to those authorized by State statute.

Concentration Risk: The District’s investment policy does not limit the amount that may be invested in any one issue. Investments of the District are diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issue or a specific class of securities.

NOTE 4 – INTERFUND TRANSACTIONS

Interfund balances at fiscal year-end, as reported on the fund financial statements, consist of the following individual interfund receivables and payables:

Fund	Receivable	Payable
General Fund	\$ 1,032,538	\$ -
Nonmajor Governmental Funds	-	1,032,538
Total	\$ 1,032,538	\$ 1,032,538

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.

The District transferred \$1,888,389 from the General Fund to the Debt Service Fund for debt payments and \$780 to the Student Activities Fund as additional support. The District also transferred \$8,645 from the Special Trust Fund to the Food Service Fund as support from the Fill My Tummy program, \$2,000 from the Student Activities Fund to the Special Trust Fund for the Diaspora scholarship and \$29,244 from the Ohio High School Athletic Association Fund to the Athletic Fund to move remaining unspent District proceeds and close out certain cost centers.

Gahanna-Jefferson Public School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 5 – PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, the lien date. Assessed values for real property taxes are established by state law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, state statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2023 represents collections of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2023 became a lien December 31, 2021, were levied after April 1, 2022 and are collected in 2023 with real property taxes.

Accrued property tax receivable includes real property, public utility property and tangible personal property taxes which are measurable at fiscal year-end 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 of resources. On a full accrual basis, collectible delinquent property taxes have been reported as a receivable and revenue, while on a modified accrual basis the revenue has been reported as a deferred inflow of resources.

The assessed values upon which fiscal year 2023 taxes were collected are:

	2022 Second Half		2023 First Half	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 1,869,703,700	95.83%	\$ 1,865,212,850	95.54%
Public Utility Personal	81,283,170	4.17%	87,077,870	4.46%
Total	<u>\$ 1,950,986,870</u>	<u>100.00%</u>	<u>\$ 1,952,290,720</u>	<u>100.00%</u>
 Tax rate per \$1,000 of assessed valuation	 <u>\$ 87.96</u>		 <u>\$ 87.96</u>	

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 6 – PAYMENTS IN LIEU OF TAXES

The District has entered into several Compensation Agreements with other local government entities resulting in the receipt of payments in lieu of taxes. The Compensation Agreements relate to the use of property tax abatements to encourage economic development. The District receives payments in lieu of taxes for projects at Broad Street, Easton, Creekside and other locations. For these projects, the District is to receive payments equal to the amount that the District would otherwise have received as real property tax payments derived from the improvements, absent the passage of the agreement. The District receives the payments directly from the County which collects the amounts for the agreements.

The District also receives payments in lieu of taxes from the City of Columbus, who has declared improvements to certain parcels of real property for the Stelzer-Stygler Community Reinvestment Area 100 percent exempt from property taxes. The District is to receive 46 percent of real property tax payments derived from the improvements had the exemption not been declared for improvements before March 25, 2002. For projects completed after March 25, 2002, the District will receive payments of 58 percent of real property tax payments derived from the improvements had the exemption not been declared and 50 percent of income tax collected for new employee payroll attributable to employment at each such project.

The District also receives payments in lieu of taxes from the City of Gahanna, whereas the City of Gahanna has declared improvements to certain parcels of real property within the City 100 percent exempt from property taxes. The District is to receive 50 percent of the amount of income taxes levied and collected by the City on employee payroll for that year, not to exceed 100 percent of the real property taxes foregone by the District for that year.

NOTE 7 – TAX ABATEMENTS

Under Community Reinvestment Area (CRA) and other property tax abatements entered into by the City of Gahanna and the City of Columbus, the District's property tax revenues were reduced by \$759,721 and \$628,066 during the fiscal year, respectively. Compensation payments received from the cities during the fiscal year totaled \$127,337.

NOTE 8 – LEASE AGREEMENTS

In August 2011, the District opened Clark Hall, a state-of-the-art learning facility that serves as an extension to the nearby Lincoln High School. In addition, the District entered into the following agreements related to Clark Hall.

Eastland-Fairfield Career and Technical School (EFCTS) - In May 2010, the District and EFCTS entered into a build-out, use and operations agreement granting EFCTS the right to occupy and use approximately 8,403 square feet of space in the Clark Hall Building from the District. The term of the agreement is for fifteen years.

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As part of the consideration for the rights granted to EFCTS under this agreement, EFCTS contributed \$1,251,472 towards the cost of completion of the base improvements. This contribution will serve as base rent for the term of the agreement. In addition, EFCTS agreed to pay the cost of additional improvements to the premises as may be necessary (beyond the base improvements) to finish, equip, furnish, and otherwise prepare the premises for EFCTS's initial occupancy and use. As of fiscal year-end, the District has received \$912,531 from EFCTS for additional improvements made.

On February 24, 2012, the District entered into a ground lease agreement with Wagenbrenner Development, Inc., for design and construction of 24,000 square feet of new commercial space on the remaining undeveloped land adjacent to Clark Hall titled "The Commons at Clark Hall". The term of the lease is for a period of 85 years. The rent payable under the lease, per annum, for the first ten years is \$132,000. The rent payable will be adjusted every 10th year of the term. The lease commenced in fiscal year 2012 and concludes in fiscal year 2097. Payments are made monthly.

In January 2023, the District entered into an agreement with T-Mobile USA Tower LLC for the use of a cell tower. The term of the lease is for a period of 20 years. The monthly rent payable under the lease is \$3,000 with a three percent increase per year as well as a one-time initial payment of \$50,000. The lease commenced in fiscal year 2023 and concludes in fiscal year 2043.

The District is reporting leases receivable of \$8,670,120 in the governmental funds. This amount represents the discounted future lease payments. This discount is being amortized using the interest method. The District reported lease revenue of 229,381 and interest revenue of \$185,274 during the fiscal year.

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Notes to the Basic Financial Statements
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A summary of future payments to be received is as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2024	\$ 19,996	\$ 168,344	\$ 188,340
2025	21,552	167,884	189,436
2026	23,176	167,389	190,565
2027	24,870	166,858	191,728
2028	26,638	166,288	192,926
2029-2033	162,467	849,891	1,012,358
2034-2038	219,315	914,249	1,133,564
2039-2043	256,189	919,122	1,175,311
2044-2048	-	1,003,776	1,003,776
2049-2053	-	1,041,418	1,041,418
2054-2058	119,098	1,035,247	1,154,345
2059-2063	349,097	848,535	1,197,632
2064-2068	529,133	798,362	1,327,495
2069-2073	641,622	735,654	1,377,276
2074-2078	876,830	649,790	1,526,620
2079-2083	1,037,661	546,208	1,583,869
2084-2088	1,343,312	412,303	1,755,615
2089-2093	1,567,551	253,899	1,821,450
2094-2097	1,451,613	62,603	1,514,216
Total	\$ 8,670,120	\$ 10,907,820	\$ 19,577,940

Gahanna-Jefferson Public School District
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Notes to the Basic Financial Statements
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NOTE 9 – CAPITAL ASSETS

Capital asset activity for the fiscal year was as follows:

Governmental Activities	Restated Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Nondepreciable Capital Assets				
Land	\$ 7,701,290	\$ -	\$ -	\$ 7,701,290
Construction in Progress	44,182,065	49,486,307	-	93,668,372
Total Nondepreciable Assets	51,883,355	49,486,307	-	101,369,662
Capital Assets Being Depreciated/Amortized				
Land Improvements	9,552,864	-	-	9,552,864
Buildings and Improvements	80,796,690	1,434,134	-	82,230,824
Equipment and Fixtures	15,214,846	627,341	(35,916)	15,806,271
Intangible Right to Use Equipment	289,323	-	-	289,323
Intangible Right to Use Technology	310,075	-	-	310,075
Vehicles	6,558,823	485,519	-	7,044,342
Textbooks	1,392,211	-	-	1,392,211
Total Capital Assets Being Depreciated/Amortized	114,114,832	2,546,994	(35,916)	116,625,910
Less Accumulated depreciation/Amortization				
Land Improvements	(6,762,026)	(215,427)	-	(6,977,453)
Buildings and Improvements	(46,112,653)	(1,354,187)	-	(47,466,840)
Equipment and Fixtures	(6,314,494)	(852,974)	27,513	(7,139,955)
Intangible Right to Use Equipment	(243,067)	(17,324)	-	(260,391)
Intangible Right to Use Technology	-	(116,576)	-	(116,576)
Vehicles	(5,016,993)	(500,418)	-	(5,517,411)
Textbooks	(1,283,348)	(88,303)	-	(1,371,651)
Total Accumulated Depreciation/Amortization	(65,732,581)	(3,145,209)	27,513	(68,850,277)
Capital Assets, Net of Accumulated Depreciation/Amortization	48,382,251	(598,215)	(8,403)	47,775,633
Capital Assets, Net	\$ 100,265,606	\$ 48,888,092	\$ (8,403)	\$ 149,145,295

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Depreciation/amortization was charged to governmental functions as follows:

	<u>Amount</u>
Instruction:	
Regular	\$ 2,110,401
Special	6,168
Vocational	5,580
Support Services:	
Pupil	1,858
Instructional Staff	125,369
Board of Education	31,198
School Administration	76,488
Fiscal	917
Business	51,326
Operations and Maintenance	107,004
Pupil Transportation	523,637
Central	26,475
Non-instructional	61,792
Extracurricular Activities	16,996
Total Depreciation/Amortization Expense	<u>\$ 3,145,209</u>

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Gahanna-Jefferson Public School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 10 – LONG-TERM OBLIGATIONS

During the fiscal year, the following changes occurred in long-term obligations:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
<u>General Obligation Debt</u>					
2010 C Learning Center Bonds 2013 A and B	\$ 1,149,552	\$ -	\$ (383,184)	\$ 766,368	\$ 383,184
Energy Conservation/Refunding	1,705,000	-	(830,000)	875,000	875,000
Premium	22,329	-	(11,165)	11,164	-
2014 Stadium Facility Note	361,715	-	(47,815)	313,900	49,246
2017 Refunding	8,785,000	-	(380,000)	8,405,000	380,000
2018 School Facilities					
Serial Bonds	27,725,000	-	(585,000)	27,140,000	605,000
Premium	2,187,817	-	(81,031)	2,106,786	-
2021 School Facilities					
Serial Bonds	198,590,000	-	(8,680,000)	189,910,000	7,185,000
Premium	13,310,967	-	(369,749)	12,941,218	-
Total General Obligation Debt	<u>253,837,380</u>	<u>-</u>	<u>(11,367,944)</u>	<u>242,469,436</u>	<u>9,477,430</u>
Net Pension Liability	62,568,430	45,498,711	-	108,067,141	-
Net OPEB Liability	5,883,903	-	(1,165,830)	4,718,073	-
2021 Certificates of Participation	45,860,000	-	(2,140,000)	43,720,000	1,435,000
2021 Certificates of Participation Premium	3,042,201	-	(104,904)	2,937,297	-
Leases Payable	326,963	-	(192,415)	134,548	134,548
Subscriptions Payable	310,075	-	(125,791)	184,284	126,416
Compensated Absences	5,891,556	693,748	(760,692)	5,824,612	652,938
Total Other Long-Term Debt	<u>123,883,128</u>	<u>46,192,459</u>	<u>(4,489,632)</u>	<u>165,585,955</u>	<u>2,348,902</u>
2015 A Tax Anticipation Notes					
Serial Bonds	2,395,000	-	(780,000)	1,615,000	795,000
Premium	69,397	-	(23,132)	46,265	-
Total Tax Anticipation Notes	<u>2,464,397</u>	<u>-</u>	<u>(803,132)</u>	<u>1,661,265</u>	<u>795,000</u>
Total Governmental Activities	<u>\$ 380,184,905</u>	<u>\$ 46,192,459</u>	<u>\$ (16,660,708)</u>	<u>\$ 409,716,656</u>	<u>\$ 12,621,332</u>

Long-Term obligations of the District are included in the Statement of Net Position. Payments of principal and interest relating to these liabilities are recorded as expenditures in the General Fund, Bond Retirement Fund, and Permanent Improvement Fund.

2010 Learning Center Clark Hall Bonds

On February 16, 2010, the District issued \$14,682,770 in Learning Center Clark Hall Bonds for the purpose of school facilities construction in the Ohio School Facilities Commission program. The Series 2010A Bonds were issued in the amount of \$2,435,000 with interest costs increasing each year from 3.65 to 4.15 percent. The bonds were issued at a discount in the amount of \$34,897. This discount will be amortized over the life of the bond, on a straight-line basis. Payments on the bonds are made from the debt service fund. In fiscal year 2018, the Bonds were advance refunded with the Series 2017 Bonds.

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Notes to the Basic Financial Statements
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The Series 2010B Bonds were issued in the amount of \$6,500,000 with interest costs increasing each year from 5.04 to 6.10 percent. This issuance was issued as Build America Bonds with the District receiving payments from the federal government for interest payments. In fiscal year 2013, the Bonds were advance refunded with the Series 2013 Bonds.

The Series 2010C Bonds were issued in the amount of \$5,747,770 with interest costs 1.50 percent. This issuance was issued as Qualified School Construction Bonds. The bonds mature on February 16, 2025.

2013 A and B Energy Conservation and Refunding Bonds

On June 27, 2013, the District issued \$10,795,000 in Energy Conservation and Refunding Bonds for the purpose of purchasing and installing energy conservation measures and refunding the 2010B Learning Center Bonds. The Series 2013A Bonds were issued in two parts with interest costs ranging from 1.50 to 4.00 percent. The 2013A-1 Bonds were issued for energy conservation measures in the amount of \$3,265,000 while the 2013A-2 Bonds were issued to refund the 2010B Learning Center Bonds in the amount of \$6,395,000. The bonds were issued at a premium in the amount of \$339,067. This premium will be amortized over the life of the bond, on a straight-line basis. Payments on the bonds are made from the debt service fund. The bonds mature on December 1, 2028. As a result of the advance refunding, the District reduced its total debt service requirements by \$430,564, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new (debt) of \$347,113. In fiscal year 2018, the 2013A portion of the Bonds were advance refunded with the Series 2017 Bonds.

The Series 2013B Bonds were issued in the amount of \$1,135,000 with interest costs increasing each year from 0.55 to 1.65 percent. This issuance was Taxable Energy Conservation Bonds and will be used to fund energy projects of the District.

2014 Stadium Facility Construction and Improvement Note

On May 27, 2014, the District borrowed \$700,000 for the purpose of construction, improvement, furnishings, and equipping of stadium bleacher facilities, with related site improvements. The note will be paid from the debt service fund and has an interest rate of 3.00 percent. The note has a term of 180 months. Payments in the amount of \$4,835 are due on the 27th of every month with the final payment due on May 27, 2029.

2017 Refunding Bonds

On December 11, 2017, the District issued \$9,405,000 in various purpose bonds for the purpose of advance refunding the remaining Series 2010 A Bonds and a portion of the Series 2013 A Bonds. The bonds will be paid from the debt service fund and has an interest rate of 2.110 percent. As a result of the advance refunding, the District reduced its total debt service requirements by \$523,300, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new (debt) of \$468,308). The amount of defeased debt as of June 30, 2023 is \$0.

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Notes to the Basic Financial Statements
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2018 School Facilities Construction and Improvement Bonds

On August 14, 2018, the District issued \$32,000,000 in School Facilities Construction and Improvement Bonds for the purpose of school facilities construction, including a new elementary school, and renovating, improving, and constructing additions to school facilities; furnishing and equipping the same; and improving sites thereof. The Bonds were issued with interest rates ranging from 3.00 to 5.00 percent. The bonds were issued with a premium in the amount of \$2,511,937. This premium will be amortized over the life of the bond, on a straight-line basis. Payments on the bonds are made from the debt service fund. The bonds mature on December 1, 2048.

2021 School Facilities Construction and Improvement Bonds

On March 17, 2021, the District issued \$205,665,000 in School Facilities Construction and Improvement Bonds for the purpose of school facilities construction, including a new high school, and renovating, improving, and constructing improvements and additions to existing school facilities, buildings and infrastructure, including additional classroom and learning space capacity to accommodate student population growth; furnishing and equipping the same; improving sites thereof; and acquiring land and interests in land. The Bonds were issued with interest rates ranging from 2.00 to 4.00 percent. The bonds were issued with a premium in the amount of \$14,050,465. This premium will be amortized over the life of the bond, on a straight-line basis. Payments on the bonds are made from the debt service fund. The bonds mature on December 1, 2057.

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

Fiscal Year	Principal	Interest	Total
2024	\$ 9,477,430	\$ 6,326,278	\$ 15,803,708
2025	6,138,951	6,141,138	12,280,089
2026	5,472,311	5,980,364	11,452,675
2027	5,628,902	5,838,486	11,467,388
2028	5,765,536	5,701,722	11,467,258
2029-2033	22,692,138	26,596,666	49,288,804
2034-2038	24,585,000	23,073,595	47,658,595
2039-2043	28,820,000	18,773,240	47,593,240
2044-2048	34,450,000	12,966,334	47,416,334
2049-2053	39,860,000	7,777,019	47,637,019
2054-2058	44,520,000	2,975,201	47,495,201
Total	<u>\$ 227,410,268</u>	<u>\$ 122,150,043</u>	<u>\$ 349,560,311</u>

Financed Purchase Agreements

The following agreements meet the criteria of financed purchases which are defined as financed purchases which transfers ownership to the lessee. Financed purchase payments are reflected as debt service expenditures in the fund financial statements. Principal payments made during the fiscal year totaled \$2,140,000.

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2021 Certificates of Participation

On March 15, 2021, the District issued \$48,000,000 in certificates of participation for the purpose of constructing, improving, furnishing, and equipping of school facilities, including but not limited to constructing a new high school. The maturity date for the bonds is December 1, 2050 with interest costs increasing each year from 2.00 to 4.00 percent. The certificates were issued with a premium in the amount of \$3,252,007. The proceeds of the certificates issued were reported in the capital project/building fund. Payments on the certificates will be made from the debt service fund.

The following is a summary of future base rent payments for the certificates of participation:

Fiscal Year	Principal	Interest	Total
2024	\$ 1,435,000	\$ 1,205,762	\$ 2,640,762
2025	1,015,000	1,176,187	2,191,187
2026	1,045,000	1,145,287	2,190,287
2027	1,075,000	1,113,487	2,188,487
2028	1,110,000	1,080,712	2,190,712
2029-2033	6,140,000	4,765,585	10,905,585
2034-2038	7,360,000	3,551,635	10,911,635
2039-2043	8,550,000	2,360,479	10,910,479
2044-2048	9,660,000	1,260,139	10,920,139
2049-2051	6,330,000	215,663	6,545,663
Total	\$ 43,720,000	\$ 17,874,936	\$ 61,594,936

Leases Payable

The District has an outstanding agreement to lease copiers. The term of the lease was 60 months and commenced in July 2018. The District also has an outstanding agreement to lease computers. The term of the lease was four years and commenced in April 2021. The future lease obligations were as follows:

Fiscal Year	Principal
2024	\$ 134,548
Total	\$ 134,548

2015 A Permanent Improvement Levy Tax Anticipation Notes

On April 14, 2015, the District issued \$7,400,000 in permanent improvement levy tax anticipation notes. The source of revenue to retire the special obligation notes will be derived from voted property tax levies recorded in the permanent improvement fund. The notes will be paid from the debt service fund and have interest costs ranging from 2.00 to 3.00 percent. The notes were issued at a premium in the amount of \$231,321. This amortization will be amortized over the life of the notes, on a straight-line basis. The notes have a final maturity date of December 1, 2024.

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Notes to the Basic Financial Statements
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The following is a summary of future principal and interest payments for the tax anticipation notes:

Fiscal Year	Principal	Interest	Total
2024	\$ 795,000	\$ 36,525	\$ 831,525
2025	820,000	12,300	832,300
Total	\$ 1,615,000	\$ 48,825	\$ 1,663,825

Subscription Liabilities

The District has outstanding subscription-based information technology arrangements. Due to the implementation of GASB 96, these arrangements plus existing prior year subscription-based information technology arrangements have met the criteria of subscription liabilities thus requiring them to be recorded by the District. The future subscription payments were discounted based on the interest rate implicit in the lease or by using the District's incremental borrowing rate. This discount is being amortized using the straight-line method over the life of the arrangements.

Fiscal Year	Principal	Interest	Total
2024	\$ 126,416	\$ 3,444	\$ 129,860
2025	15,225	1,298	16,523
2026	15,643	956	16,599
2027	16,072	605	16,677
2028	2,518	245	2,763
2029-2031	8,410	384	8,794
Total	\$ 184,284	\$ 6,932	\$ 191,216

Compensated Absences

Compensated absences represent accumulated vacation and an estimated severance liability for employees both eligible to retire and those expected to become eligible in the future. The entire compensated absences balance is reported on the entity-wide financial statements. For governmental fund financial statements, the compensated absences are reported only to the extent they have matured and will be paid with current financial resources. The noncurrent portion of the liability is not reported.

The District pays obligations related to employee compensation from the fund benefitting from their service, except for compensated absences, which are paid from the General Fund for governmental funds.

NOTE 11 – RISK MANAGEMENT

Comprehensive

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior fiscal year.

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Employee Group Life, Medical, Dental and Vision Insurance

The District provides health insurance to employees. The District pays 80% of the monthly premiums for a family plan and 85% for a single plan. The District also provides dental insurance to employees. The Board pays 80% of the monthly premiums for a family plan and 90% for a single plan.

Workers' Compensation

The District maintains an internal service “self-insurance” workers’ compensation insurance fund in connection with formalized risk management programs in an effort to minimize risk exposure and control claims and premium costs. A claims liability of \$65,342 at fiscal year-end in the workers’ compensation self-insurance internal service fund reflects an estimate of incurred but unpaid claims liability. This liability was estimated by a third party based on claims experience. The District, effective January 1, 2014, contracted with Hunter Consulting Co. to be the third party administrator for the District’s insurance program. The District has purchased stop loss coverage for individual employee claim amounts exceeding \$400,000.

A summary of the changes in the self-insurance claims liability for the years ended June 30 is as follows:

	Workers' Compensation		Dental Insurance		Total	
	2023	2022	2023	2022	2023	2022
Claims Liability at July 1	\$ 101,957	\$ 54,282	\$ 10,490	\$ 35,908	\$ 112,447	\$ 90,190
Incurred Claims	145,093	251,213	684,671	605,222	829,764	856,435
Claims Paid	(181,708)	(203,538)	(678,760)	(630,640)	(860,468)	(834,178)
Claims Liability at June 30	\$ 65,342	\$ 101,957	\$ 16,401	\$ 10,490	\$ 81,743	\$ 112,447

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability (Asset)

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 net pension/OPEB liability (asset) represents 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 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 this estimate annually.

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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.

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 due to other governments on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description – District non-teaching employees participate in SERS, a statewide, cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor 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 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, may be included in this plan.

Gahanna-Jefferson Public School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$1,936,076 for fiscal year 2023. Of this amount, \$138,703 is reported as due to other governments.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective August 1, 2017 – July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019 – July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to 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.

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

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2023 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2023, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$8,508,016 for fiscal year 2023. Of this amount, \$1,421,665 is reported as due to other governments.

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For the Fiscal Year Ended June 30, 2023

Pension Liabilities, Pension Expense, and Deferred Outflows/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 independent actuarial valuation as of that date. The District's proportion of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.3347951%	0.40467075%	
Prior Measurement Date	0.3115784%	0.39944076%	
Change in Proportionate Share	0.0232167%	0.00522999%	
Proportionate Share of the Net			
Pension Liability	\$ 18,108,323	\$ 89,958,818	\$ 108,067,141
Pension Expense	\$ 1,470,950	\$ 10,132,177	\$ 11,603,127

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period.

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Gahanna-Jefferson Public School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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	\$ 733,402	\$ 1,151,587	\$ 1,884,989
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	3,130,370	3,130,370
Changes of Assumptions	178,677	10,765,367	10,944,044
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	949,823	1,476,577	2,426,400
District Contributions Subsequent to the Measurement Date	1,936,076	8,508,016	10,444,092
Total Deferred Outflows of Resources	\$ 3,797,978	\$ 25,031,917	\$ 28,829,895
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 118,877	\$ 344,121	\$ 462,998
Net Difference between Projected and Actual Earnings on Pension Plan Investments	631,898	-	631,898
Changes of Assumptions	-	8,103,227	8,103,227
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	-	390,368	390,368
Total Deferred Inflows of Resources	\$ 750,775	\$ 8,837,716	\$ 9,588,491

\$10,444,092 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	\$ 590,761	\$ 431,855	\$ 1,022,616
2025	372,933	291,789	664,722
2026	(902,678)	(2,160,744)	(3,063,422)
2027	1,050,111	9,123,285	10,173,396
Total	\$ 1,111,127	\$ 7,686,185	\$ 8,797,312

**Gahanna-Jefferson Public School District
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*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2022 and June 30, 2021, are presented below:

Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent, net of investment expense, including inflation
COLA or Ad Hoc COLA	2.00 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement

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 percent for males and set forward two years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward five years and adjusted 103.3 percent for males and set forward three years and adjusted 106.8 percent 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.

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

The target asset 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 Strategies	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	<u>100.00 %</u>	

Discount Rate The total pension liability for 2022 was calculated using the discount rate of 7.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net Pension Liability	\$ 26,654,587	\$ 18,108,323	\$ 10,908,212

Gahanna-Jefferson Public School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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:

Inflation	2.50 percent
Salary Increases	
Current Measurement Period	Varies by service from 2.50 percent to 8.50 percent
Prior Measurement Period	Varies by age from 2.50 percent to 12.50 percent
Payroll Increases	3.00 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Cost-of-Living Adjustments (COLA)	0.00 percent effective July 1, 2017

For 2022, post-retirement mortality rates for healthy retirees are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent 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 percent 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 2021, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. 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 Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022 valuation, were based on the results of the latest available actuarial experience study, which is for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

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

**Gahanna-Jefferson Public School District
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*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

*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 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 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 rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

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

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net Pension Liability	\$ 135,895,024	\$ 89,958,818	\$ 51,111,009

Changes between the Measurement Date and the Reporting Date The discount rate was adjusted to 7.00 percent for the June 30, 2022 valuation. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

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Notes to the Basic Financial Statements
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NOTE 13 - DEFINED BENEFIT OPEB PLANS

See Note 12 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. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was \$160,871, which is reported as due to other governments. The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was equal to its surcharge obligation for fiscal year 2023.

Gahanna-Jefferson Public School District
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Notes to the Basic Financial Statements
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Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability 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. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.3360426%	0.40467075%	
Prior Measurement Date	0.3108929%	0.39944076%	
Change in Proportionate Share	0.0251497%	0.00522999%	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ 4,718,073	\$ (10,478,273)	
OPEB Expense	\$ (353,692)	\$ (1,914,066)	\$ (2,267,758)

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in OPEB expense beginning in the current period, using a straight-line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five-year period.

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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	\$ 39,664	\$ 151,905	\$ 191,569
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	24,520	182,399	206,919
Changes of Assumptions	750,469	446,337	1,196,806
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	660,666	128,323	788,989
District Contributions Subsequent to the Measurement Date	160,871	-	160,871
Total Deferred Outflows of Resources	\$ 1,636,190	\$ 908,964	\$ 2,545,154
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 3,018,027	\$ 1,573,649	\$ 4,591,676
Changes of Assumptions	1,936,805	7,430,114	9,366,919
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	298,939	347,132	646,071
Total Deferred Inflows of Resources	\$ 5,253,771	\$ 9,350,895	\$ 14,604,666

\$160,871 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction/addition to the net OPEB liability/asset in the fiscal year ending June 30, 2024. 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	\$ (980,306)	\$ (2,429,095)	\$ (3,409,401)
2025	(925,382)	(2,512,689)	(3,438,071)
2026	(765,384)	(1,179,533)	(1,944,917)
2027	(443,610)	(466,504)	(910,114)
2028	(265,391)	(612,668)	(878,059)
Thereafter	(398,379)	(1,241,442)	(1,639,821)
Total	\$ (3,778,452)	\$ (8,441,931)	\$ (12,220,383)

Gahanna-Jefferson Public School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Actuarial Assumptions - SERS

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

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

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

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

Inflation	2.40 percent
Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Fiduciary Net Position Depletion	Projected to be 2044
Municipal Bond Index Rate	
Measurement Date	3.69 percent
Prior Measurement Date	1.92 percent
Single Equivalent Interest Rate	
Measurement Date	4.08 percent, net of plan investment expense, including price inflation
Prior Measurement Date	2.27 percent, net of plan investment expense, including price inflation
Health Care Cost Trend Rate	
Medicare	5.125 percent - 4.40 percent
Pre-Medicare	6.750 percent - 4.40 percent
Medical Trend Assumption	7.00 percent - 4.40 percent

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 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 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.00 %	(0.45) %
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 Strategies	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

**Gahanna-Jefferson Public School District
Franklin County, Ohio**

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08 percent. The discount rate used to measure total OPEB liability prior to June 30, 2022 was 2.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the plan at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 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 percent at June 30, 2022 and 1.92 percent 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 and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.08 percent) and higher (5.08 percent) than the current discount rate (4.08 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (6.00 percent decreasing to 3.40 percent) and higher (8.00 percent decreasing to 5.40 percent) than the current rate (7.00 percent decreasing to 4.40 percent).

	1% Decrease	Current Discount Rate	1% Increase
District 's Proportionate Share of the Net OPEB Liability	\$ 5,859,918	\$ 4,718,073	\$ 3,796,294
		Current Trend Rate	1% Increase
District 's Proportionate Share of the Net OPEB Liability	\$ 3,638,481	\$ 4,718,073	\$ 6,128,195

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Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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
Projected Salary Increases	Varies by service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return	7.00 percent
Health Care Cost Trends	
Medical	
Pre-Medicare	7.50 percent initial 3.94 percent ultimate
Medicare	-68.78 percent initial 3.94 percent ultimate
Prescription Drug	
Pre-Medicare	9.00 percent initial 3.94 percent ultimate
Medicare	-5.47 percent initial 3.94 percent ultimate

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

For 2022, healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent 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 percent 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.

For 2021, healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 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.

Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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

Asset Class	Target Allocation*	Long-Term Expected Rate of Return**
Domestic Equity	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 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent 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 Rate 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 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
District 's Proportionate Share of the Net OPEB (Asset)	\$ (9,686,887)	\$ (10,478,273)	\$ (11,156,162)
		Current Trend Rate	1% Increase
District 's Proportionate Share of the Net OPEB (Asset)	\$ (10,868,518)	\$ (10,478,273)	\$ (9,985,684)

Gahanna-Jefferson Public School District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 14 – STATUTORY RESERVES

The District is required by state law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the current fiscal year, the reserve activity was as follows:

	Capital Acquisition	Budget Stabilization
Set-aside cash balance as of July 1, 2022	\$ -	\$ 1,000,303
Current fiscal year set-aside requirement	1,720,081	-
Offset Credits	(5,788,923)	-
Total	(4,068,842)	1,000,303
Set-aside balance at June 30, 2023	\$ -	\$ 1,000,303

The District had offset credits during the year that reduced the set-aside amounts below zero for the capital acquisition reserves. This extra amount may not be used to reduce the set-aside requirement in future fiscal years. Although Senate Bill 345 eliminated the required budget stabilization set-aside effective April 10, 2001, the District has opted to maintain their designation to offset any budget deficit the District may experience in future fiscal years.

NOTE 15 – SIGNIFICANT COMMITMENTS

Encumbrances

The District encumbers funds with purchase orders to assign funds for those purchases of goods and services. Outstanding encumbrances in the General Fund, Building Fund, and Other Governmental Funds as of fiscal year end were \$2,228,697, \$69,061,950, and \$4,616,753, respectively.

Contractual Commitments

At June 30, 2023, the District’s significant contractual commitments consisted of:

Project	Contract Amount	Amount Completed	Balance at 06/30/2023
Blacklick Athletic Complex	\$ 8,454,934	\$ 7,682,710	\$ 772,224
Blacklick Elementary	10,524,185	10,372,165	152,020
High Point Elementary	11,657,708	10,960,708	697,000
High School and Athletic Complex	25,662,936	13,045,742	12,617,194
Total Projects	\$ 56,299,763	\$ 42,061,325	\$ 14,238,438

**Gahanna-Jefferson Public School District
Franklin County, Ohio**

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

NOTE 16 – CONTINGENCIES

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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2023, if applicable, cannot be determined at this time.

Litigation - The District is a defendant in various lawsuits. The outcome and possible impact of these litigations is not presently determinable.

NOTE 17 – FUND BALANCE, ACCOUNTABILITY, AND COMPLIANCE

Fund balances at fiscal year-end included the following individual deficits:

	<u>Deficit</u>
<i>Non-Major Governmental Funds</i>	
ESSER	\$ 60,780
IDEA-B	259,260
TITLE III LEP FY03	2,090
Title I	25,866
Title II-A Improving Teacher Quality	6,903
Total	<u>\$ 354,899</u>

The GAAP basis deficit balances in the Other Governmental Funds are a result of the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

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Gahanna-Jefferson Public School District
Franklin County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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

	General	Debt Service	Building	Other Governmental Funds	Total
Nonspendable for:					
Inventory	\$ 14,057	\$ -	\$ -	\$ -	\$ 14,057
Total Nonspendable	<u>14,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,057</u>
Restricted for:					
Building Fund	-	-	190,632,534	-	190,632,534
Debt Service	-	12,236,434	-	-	12,236,434
Food Service	-	-	-	2,356,363	2,356,363
Scholarships	-	-	-	142,593	142,593
State Funded Programs	-	-	-	164,871	164,871
Federally Funded Programs	-	-	-	2,670	2,670
Permanent Improvements	-	-	-	4,190,302	4,190,302
Extracurricular Activities	-	-	-	1,115,873	1,115,873
Locally Fund Programs	-	-	-	115,580	115,580
Student Wellness	55,857	-	-	-	55,857
Total Restricted	<u>55,857</u>	<u>12,236,434</u>	<u>190,632,534</u>	<u>8,088,252</u>	<u>211,013,077</u>
Committed for:					
Health Benefits	4,291,922	-	-	-	4,291,922
Total Committed	<u>4,291,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,291,922</u>
Assigned for:					
Instruction	918,840	-	-	-	918,840
Support Services	1,177,368	-	-	-	1,177,368
Subsequent Year Appropriations	2,192,272	-	-	-	2,192,272
Uniform Supplies	19,244	-	-	-	19,244
Rotary	48,578	-	-	-	48,578
Public School Support	276,908	-	-	-	276,908
Total Assigned	<u>4,633,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,633,210</u>
Unassigned	58,552,414	-	-	(354,899)	58,197,515
Total Fund Balance	<u>\$ 67,547,460</u>	<u>\$ 12,236,434</u>	<u>\$ 190,632,534</u>	<u>\$ 7,733,353</u>	<u>\$ 278,149,781</u>

Gahanna-Jefferson Public School District
Franklin County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance in accordance with 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 fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).
- (d) Advances-In and Advance-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

GAAP Basis	\$ 8,297,155
Net Adjustment for Revenue Accruals	(734,480)
Net Adjustment for Expenditure Accruals	280,155
Funds Budgeted Elsewhere	(772,211)
Adjustment for Encumbrances	<u>(2,197,523)</u>
Budget Basis	<u><u>\$ 4,873,096</u></u>

With the implementation of GASB Statement No. 54, *Fund Balance Reporting*, the District’s Public School Support Fund, Special Rotary Fund, and Severance Fund, no longer meet the special revenue fund type criteria for reporting in the fiscal year-end external financial statements. As such, these funds are presented as part of the District’s General Fund in the year-end financial statements. The budgetary comparison information in the fiscal year-end financial statements is the legally adopted budget for the general fund, without modification for the funds no longer meeting the special revenue criteria.

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REQUIRED SUPPLEMENTARY INFORMATION

Gahanna-Jefferson Public School District
Franklin County, Ohio
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

	2023	2022	2021	2020
School Employee Retirement System (SERS)				
District's Proportion of the Net Pension Liability	0.3347951%	0.3115784%	0.3063905%	0.3082324%
District's Proportionate Share of the Net Pension Liability	\$ 18,108,323	\$ 11,496,339	\$ 20,265,313	\$ 18,442,085
District's Covered Payroll	\$ 12,734,800	\$ 10,634,136	\$ 10,867,857	\$ 10,464,318
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	142.20%	108.11%	186.47%	176.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%
State Teachers Retirement System (STRS)				
District's Proportion of the Net Pension Liability	0.40467075%	0.39944076%	0.39603601%	0.38879934%
District's Proportionate Share of the Net Pension Liability	\$ 89,958,818	\$ 51,072,091	\$ 95,826,623	\$ 85,980,638
District's Covered Payroll	\$ 52,930,093	\$ 49,438,214	\$ 48,046,950	\$ 45,751,189
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	169.96%	103.30%	199.44%	187.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%	77.40%

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
0.3114004%	0.3304801%	0.2984075%	0.2945631%	0.3000710%	0.3000710%
\$ 17,834,478	\$ 19,745,456	\$ 21,840,676	\$ 16,808,056	\$ 15,186,423	\$ 17,844,261
\$ 10,488,669	\$ 10,674,897	\$ 9,259,397	\$ 8,648,310	\$ 8,025,086	\$ 8,654,942
170.04%	184.97%	235.88%	194.35%	189.24%	206.17%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%
0.39886196%	0.41340619%	0.39767846%	0.39503147%	0.39587666%	0.39587666%
\$ 87,700,789	\$ 98,205,527	\$ 133,114,968	\$ 109,175,144	\$ 96,290,905	\$ 114,701,095
\$ 45,496,546	\$ 44,747,347	\$ 42,692,134	\$ 42,275,986	\$ 43,138,423	\$ 42,871,508
192.76%	219.47%	311.80%	258.24%	223.21%	267.55%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

Gahanna-Jefferson Public School District
Franklin County, Ohio
Schedule of the District's Contributions - Pension
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
School Employee Retirement System (SERS)				
Contractually Required Contribution	\$ 1,936,076	\$ 1,782,872	\$ 1,488,779	\$ 1,521,500
Contributions in Relation to the Contractually Required Contribution	<u>1,936,076</u>	<u>1,782,872</u>	<u>1,488,779</u>	<u>1,521,500</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 13,829,114	\$ 12,734,800	\$ 10,634,136	\$ 10,867,857
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
State Teachers Retirement System (STRS)				
Contractually Required Contribution	\$ 8,508,016	\$ 7,410,213	\$ 6,921,350	\$ 6,726,573
Contributions in Relation to the Contractually Required Contribution	<u>8,508,016</u>	<u>7,410,213</u>	<u>6,921,350</u>	<u>6,726,573</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 60,771,543	\$ 52,930,093	\$ 49,438,214	\$ 48,046,950
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
\$ 1,412,683	\$ 1,415,971	\$ 1,494,485	\$ 1,296,316	\$ 1,139,847	\$ 1,112,277
<u>1,412,683</u>	<u>1,415,971</u>	<u>1,494,485</u>	<u>1,296,316</u>	<u>1,139,847</u>	<u>1,112,277</u>
<u>\$ -</u>					
\$ 10,464,318	\$ 10,488,669	\$ 10,674,897	\$ 9,259,397	\$ 8,648,310	\$ 8,025,086
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%
\$ 6,405,166	\$ 6,369,516	\$ 6,264,629	\$ 5,976,899	\$ 5,918,638	\$ 5,607,995
<u>6,405,166</u>	<u>6,369,516</u>	<u>6,264,629</u>	<u>5,976,899</u>	<u>5,918,638</u>	<u>5,607,995</u>
<u>\$ -</u>					
\$ 45,751,189	\$ 45,496,546	\$ 44,747,347	\$ 42,692,134	\$ 42,276,986	\$ 43,138,423
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

Gahanna-Jefferson Public School District
Franklin County, Ohio
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)
Last Seven Fiscal Years (1)

	2023	2022	2021	2020
School Employee Retirement System (SERS)				
District's Proportion of the Net OPEB Liability	0.3360426%	0.3108930%	0.3036900%	0.3068680%
District's Proportionate Share of the Net OPEB Liability	\$ 4,718,073	\$ 5,883,903	\$ 6,660,175	\$ 7,717,080
District's Covered Payroll	\$ 12,734,800	\$ 10,634,136	\$ 10,867,857	\$ 10,464,318
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	37.05%	55.33%	61.28%	73.75%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%	15.57%
State Teachers Retirement System (STRS)				
District's Proportion of the Net OPEB Liability (Asset)	0.40467075%	0.39944100%	0.39603600%	0.38879900%
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ (10,478,273)	\$ (8,421,886)	\$ (6,960,325)	\$ (6,439,445)
District's Covered Payroll	\$ 52,930,093	\$ 49,438,214	\$ 48,046,950	\$ 45,751,189
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-19.80%	-17.04%	-14.49%	-14.07%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	230.73%	174.73%	182.10%	174.70%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

	2019	2018	2017
	0.3114182%	0.3287591%	0.3092040%
\$	8,639,582	\$ 8,823,030	\$ 8,813,459
\$	10,488,669	\$ 10,674,897	\$ 9,259,397
	82.37%	82.65%	95.18%
	13.57%	12.46%	11.49%
	0.39886196%	0.41340619%	0.39767846%
\$	(6,409,305)	\$ 16,129,585	\$ 21,267,946
\$	45,496,546	\$ 44,747,347	\$ 42,692,134
	-14.09%	36.05%	49.82%
	176.00%	47.10%	37.30%

Gahanna-Jefferson Public School District
Franklin County, Ohio
Schedule of the District's Contributions - OPEB
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
School Employee Retirement System (SERS)				
Contractually Required Contribution (1)	\$ 160,871	\$ 187,292	\$ 151,770	\$ 127,693
Contributions in Relation to the Contractually Required Contribution	<u>160,871</u>	<u>187,292</u>	<u>151,770</u>	<u>127,693</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 13,879,129	\$ 12,734,800	\$ 10,634,136	\$ 10,867,857
Contributions as a Percentage of Covered Payroll	1.16%	1.47%	1.43%	1.17%
State Teachers Retirement System (STRS)				
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 60,771,543	\$ 52,930,093	\$ 49,438,214	\$ 48,046,950
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) Includes Surcharge

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
\$ 197,399	\$ 201,089	\$ 148,645	\$ 151,648	\$ 201,623	\$ 129,245
197,399	201,089	148,645	151,648	201,623	129,245
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 10,464,318	\$ 10,488,669	\$ 10,674,897	\$ 9,259,397	\$ 8,648,310	\$ 8,025,086
1.89%	1.92%	1.39%	1.64%	2.33%	1.61%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 431,384
-	-	-	-	-	431,384
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 45,751,189	\$ 45,496,546	\$ 44,747,347	\$ 42,692,134	\$ 42,275,986	\$ 43,138,423
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

Gahanna-Jefferson Public School District
Franklin County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

NOTE 1 - NET PENSION LIABILITY

There were no changes in assumptions or benefit terms for the fiscal years reported unless otherwise stated below:

Changes in Assumptions - SERS

For fiscal year 2022, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.00 percent to 2.40 percent
- Payroll growth assumption was reduced from 3.50 percent to 1.75 percent
- Assumed real wage growth was reduced from 0.50 percent to 0.85 percent
- Discount rate was reduced from 7.50 percent to 7.00 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For fiscal year 2017, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.25 percent to 3.00 percent
- Payroll Growth Assumption was reduced from 4.00 percent to 3.50 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.50 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- 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.
- Mortality among service retired members, and beneficiaries was updated to RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates.
- Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

Changes in Benefit Terms - SERS

For fiscal year 2022, cost-of-living adjustments were increased from 2.00 percent to 2.50 percent.

For fiscal year 2021, cost-of-living adjustments were reduced from 2.50 percent to 2.00 percent.

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

Changes in Assumptions – STRS

For fiscal year 2022, the Retirement Board approved several changes to the actuarial assumptions. The salary increases were where changed from 12.50 percent at age 20 to 2.50 percent at age 65 to varying by service from 2.50 percent to 8.50 percent. The healthy and disabled mortality assumptions were updated to the Pub-2010 mortality tables with generational improvement scale MP-2020.

For fiscal year 2021, the long term expected rate of return was reduced from 7.45 percent to 7.00 percent.

For fiscal year 2018, the Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Changes in Benefit Terms - STRS

For fiscal year 2018, the cost-of-living adjustment (COLA) was reduced to zero.

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:

Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Gahanna-Jefferson Public School District
Franklin County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

Pre-Medicare Trend Assumption

Fiscal year 2023	6.75 percent initially, decreasing to 4.40 percent
Fiscal year 2022	6.75 percent initially, decreasing to 4.40 percent
Fiscal year 2021	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2020	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2019	7.25 percent initially, decreasing to 4.75 percent
Fiscal year 2018	7.50 percent initially, decreasing to 4.00 percent

Medicare Trend Assumption

Fiscal year 2023	7.00 percent initially, decreasing to 4.40 percent
Fiscal year 2022	5.125 percent initially, decreasing to 4.40 percent
Fiscal year 2021	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2020	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2019	5.375 percent initially, decreasing to 4.75 percent
Fiscal year 2018	5.50 percent initially, decreasing to 5.00 percent

Changes in Benefit Terms - SERS

There have been no changes to the benefit provisions.

Changes in Assumptions – STRS

For fiscal year 2022, the healthy and disabled mortality assumptions were updated to the RPub-2010 mortality tables with generational improvement scale MP-2020. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

For fiscal year 2022, the following changes were made to the actuarial assumptions:

- Projected salary increases from 3.25 to 10.75 percent, including wage inflation to varying by service from 2.50 to 8.50 percent
- Medicare medical health care cost trends from -16.18 percent initial to -68.78 percent initial and 4.00 percent ultimate to 3.94 percent ultimate
- Medicare prescription drug health care cost trends from 29.98 percent initial to -5.47 percent initial and 4.00 percent ultimate to 3.94 percent ultimate

For fiscal year 2021, valuation year per capita health care costs were updated. Health care cost trend rates ranged from -5.20 percent to 9.60 percent initially for fiscal year 2020 and changed for fiscal year 2021 to a range of -6.69 percent to 11.87 percent, initially.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent. Valuation year per capita health care costs were updated. Health care cost trend rates ranged from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate for fiscal year 2018 and changed for fiscal year 2019 to a range of -5.20 percent to 9.60 percent, initially and a 4.00 ultimate rate.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Changes in Benefit Terms – STRS

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

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

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

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. This was subsequently extended, see above paragraph.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education
Gahanna-Jefferson Public School District
Franklin County, Ohio
160 South Hamilton Road
Gahanna, OH 43230

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 Gahanna-Jefferson Public School District, Franklin 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 January 30, 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 entity'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
January 30, 2024

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

To the Board of Education
Gahanna-Jefferson Public School District
Franklin County, Ohio
160 South Hamilton Road
Gahanna, OH 43230

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Gahanna-Jefferson Public School District's, Franklin County, Ohio, (the "District") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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

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 Responsibility 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Rea & Associates, Inc.
Dublin, Ohio
January 30, 2024

**GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Award Number/ Grant Year	Federal Disbursements	Amount Paid to Subrecipients
U. S. Department of Education:				
(Passed Through Ohio Department of Education)				
Title I Grants to Local Educational Agencies	84.010A	2022	\$ 119,150	\$ -
Title I Grants to Local Educational Agencies	84.010A	2023	1,095,978	-
Total Title I Grants to Local Educational Agencies			1,215,128	-
<i>Special Education Cluster:</i>				
Special Education Grants to States	84.027A	2022	307,088	-
Special Education Grants to States	84.027A	2023	1,882,890	-
COVID-19 Special Education Grants to States-ARP	84.027X	2022	11,694	-
COVID-19 Special Education Grants to States-ARP	84.027X	2023	339,333	-
Total Special Education Grants to States			2,541,005	-
Special Education Preschool Grants	84.173A	2023	41,537	-
COVID-19 Special Education Preschool Grants - ARP	84.173X	2023	27,804	-
Total Special Education Preschool			69,341	-
<i>Total Special Education Cluster:</i>				
			2,610,346	-
English Language Acquisition State Grants	84.365A	2023	118,932	-
Improving Teacher Quality State Grants	84.367A	2022	25,332	-
Improving Teacher Quality State Grants	84.367A	2023	376,316	-
Total Improving Teacher Quality State Grants			401,648	-
Student Support and Academic Enrichment Program	84.424A	2022	2,877	-
Student Support and Academic Enrichment Program	84.424A	2023	80,698	-
Total Supporting and Academic Enrichment Program			83,575	-
Education Stabilization Fund				
COVID-19 (ESSER)	84.425D	2022	808	-
COVID-19 (ESSER II)	84.425D	2022	570,730	-
COVID-19 (ESSER II)	84.425D	2023	2,407,667	-
COVID-19 (ARP ESSER)	84.425U	2022	821,964	-
COVID-19 (ARP ESSER)	84.425U	2023	1,332,731	-
COVID-19 (ARP Homeless II)	84.425W	2023	34,976	-
Total Education Stabilization Fund			5,168,876	-
Total U.S. Department of Education			9,598,505	-
Federal Communications Commission				
(Direct Award)				
COVID-19: Emergency Connectivity Fund Program	32.009	2023	13,800	-
Total Federal Communications Commission			13,800	-
U. S. Department of Agriculture:				
(Passed Through Ohio Department of Education)				
<i>Child Nutrition Cluster</i>				
<i>Non-Cash Assistance:</i>				
School Breakfast Program	10.553	2023	47,043	-
<i>Cash Assistance:</i>				
School Breakfast Program	10.553	2023	556,102	-
Total School Breakfast Program			603,145	-
<i>Non-Cash Assistance:</i>				
National School Lunch Program	10.555	2023	238,721	-
<i>Cash Assistance:</i>				
National School Lunch Program	10.555	2023	2,615,017	-
COVID-19 National School Lunch Program	10.555	2023	193,129	-
Total National School Lunch Program			3,046,867	-
<i>Total Child Nutrition Cluster</i>				
			3,650,012	-
COVID-19: P-EBT Administrative Grants	10.628	2023	3,135	-
Total U.S. Department of Agriculture			3,653,147	-
Total Federal Assistance			\$ 13,265,452	\$ -

See accompanying notes to the schedule of expenditures of federal awards.

Gahanna-Jefferson Public School District
Franklin County, Ohio
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 the Gahanna-Jefferson Public School District (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, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The District has elected to not 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 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 ODE’s consent, schools can transfer unobligated amounts to the subsequent fiscal year’s program. The District transferred the following amounts from 2022 to 2023 programs:

Program	ALN	Amount
Title I Grants to Local Educational Agencies	84.010A	298,191
Title I - Expanding Opportunities	84.010A	64,055
Special Education Grants to States	84.027A	201,298
COVID-19 Special Education Grants to States-ARP	84.027X	402,977
COVID-19 Special Education Preschool Grants - ARP	84.173X	32,429
English Language Acquisition State Grants	84.365A	35,622
Improving Teacher Quality State Grants	84.367A	388,895
Student Support and Academic Enrichment Program	84.424A	11,413
COVID-19 (ESSER II)	84.425D	2,667,543
COVID-19 (ARP ESSER)	84.425U	7,723,828
COVID-19 (ARP Homeless II)	84.425W	36,199

Gahanna-Jefferson Public School District
Franklin County, Ohio
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
June 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS
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(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)?	None Reported
(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?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list): Special Education Cluster COVID-19: Education Stabilization Fund	Assistance Listing # 84.027A; 84.027X; 84.173A; 84.173X 84.425D; 84.425U; 84.425W
(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?	No

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

None were noted.

Gahanna-Jefferson Public School District
Franklin County, Ohio
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
June 30, 2023
(Continued)

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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Finding Number: 2023-001

Federal Program: Child Nutrition Cluster
Federal Award Identification Number and Year: N/A, 2023
Assistance Listing Number (ALN): 10.553, 10.555
Federal Awarding Agency: U.S. Department of Agriculture
Compliance Requirement: Reporting
Pass-through Entity: Ohio Department of Education
Repeat Finding: Yes, 2022-001

Significant Deficiency and Noncompliance – Reporting Claims for Reimbursement

Criteria: The District shall establish internal controls which ensure the accuracy of meal counts prior to the submission of the monthly Claim for Reimbursement. At a minimum, these internal controls shall include: an on-site review of the meal counting and claiming system employed by each school within the jurisdiction of the school food authority; comparisons of daily free, reduced price and paid meal counts against data which will assist in the identification of meal counts in excess of the number of free, reduced price and paid meals served each day to children eligible for such meals; and a system for following up on those meal counts which suggest the likelihood of meal counting problems. (7 CFR 210.8)

Condition: The District did not properly report the total meals served on its Claims for Reimbursement for two months during the year.

Questioned Costs: None.

Identification of How Questioned Costs Were Computed: N/A

Context: A sample of two months (November 2022 and March 2023) for each of the District’s 11 schools was completed for compliance testing purposes. It was determined, through testing of the support provided, the CN-6 and CN-7 reports maintained by the District did not reconcile to the count data claim submitted through the Ohio Department of Education’s Claims Reimbursement and Reporting System (CRRS) for seven buildings in November 2022 (overstatement of 70 net lunches) and seven buildings in March 2023 (understatement of 45 net lunches).

Cause and Effect: The District did not have procedures in place to review and reconcile system-generated reports to the CRRS System. As a result, the District improperly reported meals served during fiscal year 2023, both under- and over-reporting its count of meals served.

Recommendation: We recommend that the District implement processes and procedures to review and reconcile system-generated reports to daily totals for meals served when monthly reports are completed.

Views of Responsible Officials and Corrective Action Plan: See Corrective Action Plan.



J. Scott Gooding II, Treasurer/CFO

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
June 30, 2023

Finding Number:	2023-001
Planned Corrective Action:	Accurate count of student meals
Anticipated Completion Date:	02/01/2024 – implementation date
Responsible Contact Person:	Megan Schweller, Food Service Supervisor
Action Plan:	To ensure accurate daily meal counts and recordkeeping, Infinite Campus, a new Point of Sale System, has been implemented into the Food Service Department, effective 02/01/2024. This system streamlines a more effective transaction process, as well as enables the department to better retain transaction histories on a daily, monthly, and yearly basis. Daily counts are recorded electronically through the system, thus eliminating the manual counting of student meals.



*Summary Schedule of Prior Audit Findings
June 30, 2023*

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2022-001	Significant Deficiency and Noncompliance – Reporting Claims for Reimbursement	No	Not Corrected: See finding 2023-001 and the Corrective Action Plan.

“WHERE STUDENTS COME FIRST”

OHIO AUDITOR OF STATE KEITH FABER



GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/28/2024

88 East Broad Street, Columbus, Ohio 43215
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