SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT

MONROE COUNTY, OHIO

SINGLE AUDIT

For the Year Ended June 30, 2023

Charles E. Harris & Associates, Inc.
CPAs and Government Consultants

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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Board of Education
Switzerland of Ohio Local School District
304 Mill Street
Woodsfield, Ohio 43793

We have reviewed the *Independent Auditor's Report* of Switzerland of Ohio Local School District, Monroe County, prepared by Charles E. Harris & 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. Switzerland of Ohio Local School District is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

March 18, 2024

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SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY
TABLE OF CONTENTS
FOR THE YEAR ENDING JUNE 30, 2023

TITLE **PAGE**

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY
TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

Switzerland of Ohio School District
Monroe County
304 Mill Street
Woodsfield, Ohio 43793

To the Board of Education:

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Charles E. Harris Associates

Charles E. Harris & Associates, Inc.
January 29, 2024

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

The management's discussion and analysis of the Switzerland of Ohio Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- The District's net position of governmental activities increased $16,433,641, which represents a 15.55% increase from 2022's net position.

- General revenues accounted for $66,578,310 in revenue, or 87.55% of all revenues. Program specific revenues, in the form of charges for services and sales and operating grants and contributions accounted for $9,464,825 or 12.45% of total revenues of $76,043,135.

- The District had $59,609,494 in expenses related to governmental activities; program-specific charges for services, grants and contributions offset only $9,464,825 of these expenses. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $66,578,310 were adequate to provide for these programs.

- The District's major governmental funds are the general fund and the capital projects fund. The general fund had $57,249,807 in revenues and other financing sources and $52,303,255 in expenditures and other financing uses. During fiscal year 2023, the general fund's fund balance increased $4,946,552 from a balance of $47,512,542 to a balance of $52,459,094.

- The capital projects fund had $7,000,000 in transfers in from the general fund and no expenditures during the fiscal year. The capital projects fund's fund balance increased $7,000,000 from a balance of $7,407,020 to a balance of $14,407,020.

Using the Basic Financial Statements

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

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

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole considers all financial transactions and asks the question "How did the District perform financially during 2023?" The statement of net position and statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses using the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid. These two statements report the District's net position and changes in net position during the year. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

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

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the District' most significant funds. The District's major governmental fund is the general fund.

Governmental Funds

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

Proprietary Funds

The District maintains only one type of proprietary fund. The internal service fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District has an internal service fund to account for a self-insurance program which provides health, prescription and dental benefits to employees.

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. This activity is excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

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

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for June 30, 2023 and June 30, 2022.

Net Position

	Governmental Activities 2023	Governmental Activities 2022
Assets		
Current and other assets	$ 147,444,422	$ 125,070,503
Noncurrent assets:		
Net OPEB asset	3,301,554	2,691,692
Capital assets, net	78,174,815	80,702,572
Total assets	228,920,791	208,464,767
Deferred outflows of resources		
Unamortized deferred charges on debt refunding	1,125,035	1,215,641
Pension	11,324,770	13,381,652
OPEB	1,757,233	2,281,878
Total deferred outflows of resources	14,207,038	16,879,171
Liabilities		
Current liabilities	7,463,751	6,119,544
Long-term liabilities:		
Due within one year	1,926,658	2,011,402
Due in more than one year:		
Net pension liability	36,929,010	22,419,632
Net OPEB liability	2,252,467	3,159,315
Other amounts	24,694,410	26,272,651
Total liabilities	73,266,296	59,982,544
Deferred inflows of resources		
Property taxes and PILOTs levied for next fiscal year	38,935,688	37,307,476
Pension	3,422,139	17,467,670
OPEB	5,403,626	4,919,809
Total deferred inflows of resources	47,761,453	59,694,955
Net position		
Net investment in capital assets	53,694,009	54,997,692
Restricted	9,494,617	8,662,589
Unrestricted	58,911,454	42,006,158
Total net position	$ 122,100,080	$ 105,666,439

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

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

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

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

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

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

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

Analysis of Net Position

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2023, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $122,100,080.

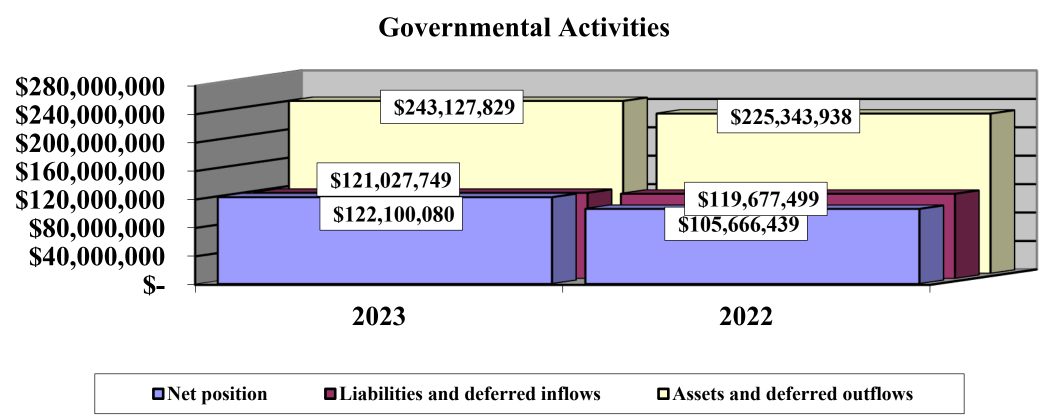
Current and other assets increased $22,373,919 primarily due to an increase in cash and investments in the general fund as a result of current fiscal year operations and an increase in property taxes receivable. The increase in property taxes receivable is due to the increase in the delinquent property taxes receivable from the pipeline taxpayers within the District.

At year-end, capital assets represented 34.15% of total assets. Capital assets include land, buildings and improvements, furniture and equipment, intangible right to use equipment, and vehicles. The District's net investment in capital assets at June 30, 2023, was $53,694,009. These capital assets are used to provide services to students and are not available for future spending. Although the District's net investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

The net pension liability increased $14,509,378 and deferred inflows of resources related to pension decreased $14,045,531. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Primarily, net investment income on investments at both pension systems were negative for the fiscal year 2022 measurement date that are used for the fiscal year 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous fiscal year's large positive investment returns.

A portion of the District's net position, $9,494,617, represents resources that are subject to external restrictions as to their use. The remaining balance of unrestricted net position was a balance of $58,911,454.

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



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The table below shows the changes in net position for governmental activities between 2023 and 2022.

Change in Net Position

	Governmental Activities 2023	Governmental Activities 2022
Revenues		
Program revenues:		
Charges for services and sales	$ 979,493	$ 939,355
Operating grants and contributions	7,734,231	7,712,109
Capital grants and contributions	751,101	-
General revenues:		
Property taxes	50,110,396	47,911,681
Grants and entitlements	14,143,433	14,334,335
Payments in lieu of taxes	412,500	-
Investment earnings	1,710,919	14,077
Oil & gas royalties	135,300	137,852
Other	65,762	90,370
Total revenues	76,043,135	71,139,779
Expenses		
Program expenses:		
Instruction:		
Regular	18,787,578	17,118,828
Special	7,143,565	6,490,602
Vocational	3,721,503	3,096,856
Adult education	163,406	180,508
Other	23,991	90,360
Support services:		
Pupil	3,940,095	3,412,816
Instructional staff	4,410,748	4,002,844
Board of education	31,021	32,194
Administration	4,789,188	4,651,231
Fiscal	1,794,838	1,497,462
Business	215	31,085
Operations and maintenance	5,332,452	4,323,246
Pupil transportation	4,706,871	4,465,679
Central	319,758	891,597
Operation of non-instructional services:		
Food service operations	1,901,757	1,785,102
Other non-instructional services	125,657	128,514
Extracurricular activities	1,140,030	992,875
Interest and fiscal charges	1,276,821	959,896
Total expenses	59,609,494	54,151,695
Change in net position	16,433,641	16,988,084
Net position at beginning of year	105,666,439	88,678,355
Net position at end of year	$ 122,100,080	$ 105,666,439

Governmental Activities

The net position of the District's governmental activities increased $16,433,641 during fiscal year 2023. Total governmental expenses of $59,609,494 were offset by program revenues of $9,464,825, and general revenues of $66,478,310. Program revenues supported 15.88% of the total governmental expenses.

Overall, expenses of the governmental activities increased $5,457,799 or 10.08%. This increase is primarily the result of an increase in pension expense. Pension expense increased $3,403,642. This increase was the result of an increase in expenses incurred at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) due to a decrease in net investment income on investments compared to previous years.

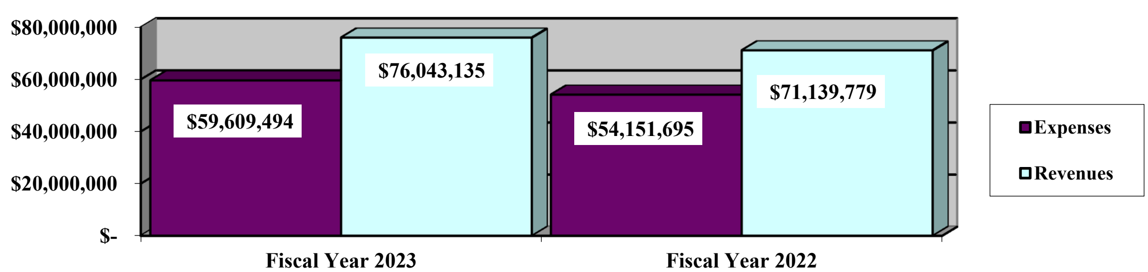
The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements. These revenue sources represent 85.04% of total governmental revenue. Real estate property is reappraised every six years.

The increase in property taxes is partially due to the amount collected by the County Auditor and available as advance at fiscal year-end. The amount collected and available for advance can vary depending upon when tax bills are sent.

The amount of the District's property taxes considered delinquent increased approximately $8.2 million in fiscal year 2023. This is because oil and gas companies have appealed the assessed value of pipelines. While the appeal is pending, property taxes on the pipelines are collected at the appealed value. The County Auditors classify the property taxes not collected on the full assessed value as delinquent. When the appeal has been decided, the oil and gas companies will pay the back taxes, if any.

The graph below illustrates governmental activities revenue and expenses for fiscal years 2023 and 2022.

Governmental Activities - Revenues and Expenses



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

Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program expenses				
Instruction:				
Regular	$ 18,787,578	$ 16,963,057	$ 17,118,828	$ 15,960,510
Special	7,143,565	5,357,094	6,490,602	4,299,391
Vocational	3,721,503	3,150,984	3,096,856	2,350,253
Adult education	163,406	163,406	180,508	180,508
Other	23,991	23,991	90,360	90,360
Support services:				
Pupil	3,940,095	3,131,388	3,412,816	2,440,872
Instructional staff	4,410,748	2,807,716	4,002,844	3,185,549
Board of education	31,021	31,021	32,194	32,194
Administration	4,789,188	4,682,924	4,651,231	4,549,024
Fiscal	1,794,838	1,794,838	1,497,462	1,497,462
Business	215	215	31,085	31,085
Operations and maintenance	5,332,452	4,890,580	4,323,246	4,140,165
Pupil transportation	4,706,871	4,286,387	4,465,679	4,271,037
Central	319,758	293,813	891,597	869,380
Operation of non-instructional services:				
Food service operations	1,901,757	661,395	1,785,102	63,803
Other non-instructional services	125,657	25,444	128,514	25,757
Extracurricular activities	1,140,030	603,595	992,875	552,985
Interest and fiscal charges	1,276,821	1,276,821	959,896	959,896
Total expenses	$ 59,609,494	$ 50,144,669	$ 54,151,695	$ 45,500,231

The dependence upon tax and other general revenues for governmental activities is apparent as 85.99% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 84.12%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio, as a whole, are the primary support for District's students.

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

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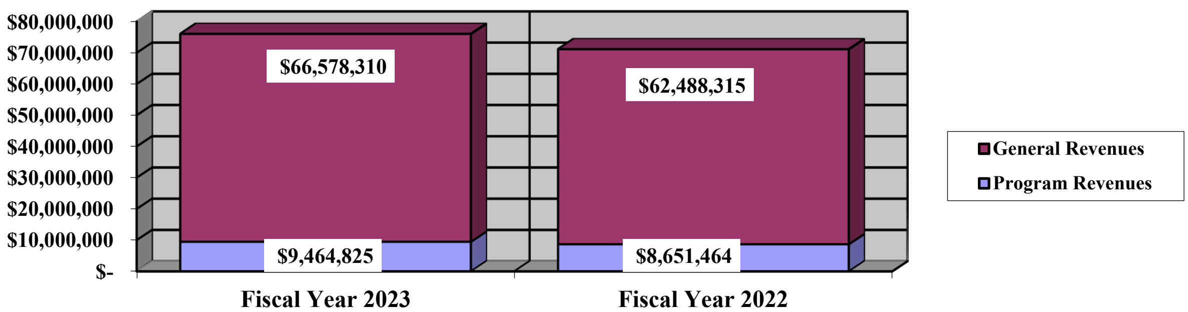
Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of $72,997,826, which is $9,521,966 greater than last year's balance of $63,475,860. The schedule below indicates the fund balances and the total change in fund balances as of June 30, 2023 and 2022.

	Fund Balance June 30, 2023	Fund Balance June 30, 2022	Change
General	$ 52,459,094	$ 47,512,542	$ 4,946,552
Capital projects	14,407,020	7,407,020	7,000,000
Other governmental	6,131,712	8,556,298	(2,424,586)
Total	$ 72,997,826	$ 63,475,860	$ 9,521,966

General Fund

The District's general fund balance increased $4,946,522. Property taxes increased due to the increase in the District's assessed valuation. Earnings on investments increased due to higher interest rates on the District's investments.

Expenditures increased $1,089,230, which is 2.43%, from fiscal year 2022. This is primarily due to customary increases in salaries and benefits and also due to inflation.

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The table that follows assists in illustrating the financial activities of the general fund.

	2023 Amount	2022 Amount	Change	Percentage Change
Revenues				
Taxes	$ 39,619,132	$ 38,820,439	$ 798,693	2.06 %
Earnings on investments	1,507,317	(20,989)	1,528,306	7,281.46 %
Intergovernmental	15,178,648	15,423,027	(244,379)	(1.58) %
Other revenues	887,872	791,543	96,329	12.17 %
Total	$ 57,192,969	$ 55,014,020	$ 2,178,949	3.96 %
Expenditures				
Instruction	$ 23,157,048	$ 22,806,273	$ 350,775	1.54 %
Support services	20,492,551	19,805,921	686,630	3.47 %
Operation of non-instructional services	39,323	31,476	7,847	24.93 %
Extracurricular activities	653,824	673,320	(19,496)	(2.90) %
Capital outlay	54,559	-	54,559	100.00 %
Debt service	470,713	461,798	8,915	1.93 %
Total	$ 44,868,018	$ 43,778,788	$ 1,089,230	2.49 %

Capital Projects Fund

The capital projects fund had $7,000,000 of transfers in from the general fund and no expenditures during the fiscal year. The capital projects fund had an ending fund balance of $14,407,020. The capital projects fund was established to accumulate resources for future capital purchases.

General Fund Budgeting Highlights

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

During the course of fiscal year 2023, the District amended its general fund budget several times. For the general fund, final budgeted revenues and other financing sources were $57,108,929, which is $2,492,749 less than original budgeted revenues and other financing sources of $54,616,180. Final budgeted revenues were increased from original budgeted revenues due to higher property tax collections. This is due to the increase in the District's assessed valuation. Actual revenues and other financing sources for fiscal year 2023 were $57,098,350. This represents a $10,579 decrease from final budgeted revenues.

General fund final budgeted expenditures and other financing uses were $55,136,340, which were less than the original budgeted expenditures and other financing uses of $73,892,082. The reason for this budgeted difference is because the District budgets extremely conservatively and adjusts the appropriations as more facts become known. Actual budget-basis expenditures and other financing uses for fiscal year 2023 totaled $54,895,677 and were $240,663 less than in the final budget.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the District had $78,174,815 invested in land, buildings and improvements, furniture and equipment, intangible right to use equipment and vehicles. This entire amount is reported in the District's governmental activities.

The following table shows June 30, 2023 balances compared to June 30, 2022:

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

	Governmental Activities	
	2023	2022
Land	$ 1,030,070	$ 1,030,070
Construction in progress	695,602	-
Buildings and improvements	71,374,364	74,726,405
Furniture and equipment	2,354,391	2,401,052
Intangible right to use equipment	49,451	7,871
Vehicles	2,670,937	2,537,174
Total	$ 78,174,815	$ 80,702,572

Total additions to capital assets for fiscal year 2023 were $2,340,003 and depreciation/amortization expense totaled $4,850,216. The District also had disposals of capital assets of $17,544 (net of accumulated depreciation/amortization).

See Note 8 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

The District's outstanding long-term obligations consist of general obligation bonds leases payable and financed purchase obligations with a balance amounting to $24,910,239; of this balance, $1,839,724 is due within one year and $23,070,515 is due in more than one year.

The following table summarizes the District's debt outstanding at June 30, 2023 and June 30, 2022:

Outstanding Debt, at Year End

	Governmental Activities 2023	Governmental Activities 2022
General obligation bonds	$ 22,760,000	$ 24,160,000
Leases payable	47,239	4,743
Financed purchase obligations	2,103,000	2,485,000
Total	$ 24,910,239	$ 26,649,743

At June 30, 2023, the District's overall legal debt margin was $115,959,931 and its unvoted debt margin was $1,512,844.

See Note 9 to the basic financial statements for additional information on the District's debt administration.

Economic Factors

The District ended fiscal year 2023 with a positive cash flow which reflects the efforts of the administration of the District in trying to maintain fiscal accountability in addition to the healthy local economy. There are some uncontrollable variables that will affect future revenues, which includes the elimination of the three-year averaging for Average Daily Membership (ADM), State elimination for fees from rollback and homestead funds, the net loss of students to other school districts through open enrollment and funding related to the COVID-19 pandemic. Based on these factors, the board of education and administration of the District must maintain careful financial planning and prudent fiscal management in order to maintain the current financial stability of the District.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information please contact Connie Kress, Treasurer, Switzerland of Ohio Local School District, 304 Mill Street, Woodsfield, Ohio 43793 or e-mail at connie.kress@omeresa.net.

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2023

		Governmental Activities
Assets:		
Equity in pooled cash and investments	$	74,532,072
Cash with fiscal agent		7,571,502
Receivables:		
Property taxes		62,659,580
Payment in lieu of taxes		412,500
Accounts		117,615
Accrued interest		222,063
Intergovernmental		1,543,888
Prepayments		376,349
Materials and supplies inventory		3,028
Inventory held for resale		5,825
Net OPEB asset		3,301,554
Capital assets:		
Nondepreciable capital assets		1,725,672
Depreciable capital assets, net		76,449,143
Capital assets, net		78,174,815
Total assets		228,920,791
Deferred outflows of resources:		
Unamortized deferred charges on debt refunding		1,125,035
Pension		11,324,770
OPEB		1,757,233
Total deferred outflows of resources		14,207,038
Liabilities:		
Accounts payable		521,231
Contracts payable		626,042
Retainage payable		69,560
Accrued wages and benefits payable		3,368,121
Intergovernmental payable		1,046,267
Pension and postemployment benefits payable		627,697
Accrued interest payable		101,646
Unearned revenue		32,848
Claims payable		1,070,339
Long-term liabilities:		
Due within one year		1,926,658
Due in more than one year:		
Net pension liability		36,929,010
Net OPEB liability		2,252,467
Other amounts due in more than one year		24,694,410
Total liabilities		73,266,296
Deferred inflows of resources:		
Property taxes levied for the next fiscal year		38,523,188
Payment in lieu of taxes levied for the next fiscal year		412,500
Pension		3,422,139
OPEB		5,403,626
Total deferred inflows of resources		47,761,453
Net position:		
Net investment in capital assets		53,694,009
Restricted for:		
Capital projects		407,020
OPEB plan		961,091
Classroom facilities maintenance		2,938,971
Debt service		3,234,103
State funded programs		1,005,779
Federally funded programs		450,453
Extracurricular		461,767
Other purposes		35,433
Unrestricted		58,911,454
Total net position	$	122,100,080

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY, OHIO

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction:					
Regular	$ 18,787,578	$ 127,839	$ 1,696,682	$ -	$ (16,963,057)
Special	7,143,565	60,152	1,726,319	-	(5,357,094)
Vocational	3,721,503	18,803	551,716	-	(3,150,984)
Adult/continuing	163,406	-	-	-	(163,406)
Other	23,991	-	-	-	(23,991)
Support services:					
Pupil	3,940,095	-	808,707	-	(3,131,388)
Instructional staff	4,410,748	-	851,931	751,101	(2,807,716)
Board of education	31,021	-	-	-	(31,021)
Administration	4,789,188	-	106,264	-	(4,682,924)
Fiscal	1,794,838	-	-	-	(1,794,838)
Business	215	-	-	-	(215)
Operations and maintenance	5,332,452	6,000	435,872	-	(4,890,580)
Pupil transportation	4,706,871	-	420,484	-	(4,286,387)
Central	319,758	25,945	-	-	(293,813)
Operation of non-instructional services:					
Food service operations	1,901,757	258,983	981,379	-	(661,395)
Other non-instructional services	125,657	-	100,213	-	(25,444)
Extracurricular activities	1,140,030	481,771	54,664	-	(603,595)
Interest and fiscal charges	1,276,821	-	-	-	(1,276,821)
Totals	$ 59,609,494	$ 979,493	$ 7,734,231	$ 751,101	(50,144,669)
		General revenues:			
		Property taxes levied for:			
		General purposes			47,357,558
		Debt service			2,075,473
		Classroom facilities maintenance			677,365
		Payments in lieu of taxes			412,500
		Grants and entitlements not restricted to specific programs			14,143,433
		Oil & gas royalties			135,300
		Investment earnings			1,710,919
		Miscellaneous			65,762
		Total general revenues			66,578,310
		Change in net position			16,433,641
		Net position at beginning of year			105,666,439
		Net position at end of year			$ 122,100,080

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	$ 52,121,411	$ 14,407,020	$ 7,926,408	$ 74,454,839
Receivables:				
Property taxes	59,263,257	-	3,396,323	62,659,580
Payment in lieu of taxes	412,500	-	-	412,500
Accounts	2,318	-	115,297	117,615
Accrued interest	222,063	-	-	222,063
Intergovernmental	180,177	-	1,363,711	1,543,888
Prepayments	241,478	-	134,871	376,349
Materials and supplies inventory	-	-	3,028	3,028
Inventory held for resale	-	-	5,825	5,825
Due from other funds	316,742	-	-	316,742
Total assets	$ 112,759,946	$ 14,407,020	$ 12,945,463	$ 140,112,429
Liabilities:				
Accounts payable	$ 224,004	$ -	$ 294,701	$ 518,705
Contracts payable	-	-	626,042	626,042
Retainage payable	-	-	69,560	69,560
Accrued wages and benefits payable	2,908,819	-	459,302	3,368,121
Compensated absences payable	11,934	-	-	11,934
Intergovernmental payable	389,734	-	656,533	1,046,267
Pension and postemployment benefits payable	563,067	-	64,630	627,697
Due to other funds	-	-	316,742	316,742
Unearned revenue	-	-	32,848	32,848
Total liabilities	4,097,558	-	2,520,358	6,617,916
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	36,383,363	-	2,139,825	38,523,188
Payment in lieu of taxes levied for the next fiscal yea	412,500	-	-	412,500
Delinquent property tax revenue not available	19,164,350	-	1,037,267	20,201,617
Intergovernmental revenue not available	176,850	-	1,001,504	1,178,354
Accrued interest not available	66,231	-	-	66,231
Charges for services revenue not available	-	-	114,797	114,797
Total deferred inflows of resources	56,203,294	-	4,293,393	60,496,687
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	3,028	3,028
Prepaids	241,478	-	134,871	376,349
Unclaimed monies	4,242	-	-	4,242
Restricted:				
Debt service	-	-	2,563,955	2,563,955
Capital improvements	-	407,020	-	407,020
Classroom facilities maintenance	-	-	1,844,068	1,844,068
Non-public schools	-	-	17,351	17,351
State funded programs	-	-	988,428	988,428
Federally funded programs	-	-	450,453	450,453
Extracurricular	-	-	461,767	461,767
Other purposes	-	-	31,191	31,191
Committed:				
Capital improvements	1,954,479	-	737,181	2,691,660
Termination benefits	997,758	-	-	997,758
Scholarships	-	-	43,081	43,081
Assigned:				
Student instruction	176,988	-	-	176,988
Student and staff support	520,542	-	-	520,542
Extracurricular activities	5,335	-	-	5,335
Subsequent year's appropriations	17,998,840	-	-	17,998,840
Capital improvements	-	14,000,000	-	14,000,000
Other purposes	309,083	-	-	309,083
Unassigned (deficit)	30,250,349	-	(1,143,662)	29,106,687
Total fund balances	52,459,094	14,407,020	6,131,712	72,997,826
Total liabilities, deferred inflows and fund balances	$ 112,759,946	$ 14,407,020	$ 12,945,463	$ 140,112,429

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY, OHIO

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

Total governmental fund balances		$ 72,997,826
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		78,174,815
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 20,201,617	
Accounts receivable	114,797	
Accrued interest receivable	66,231	
Intergovernmental receivable	1,178,354	
Total		21,560,999
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		6,575,870
Unamortized amounts on refundings are not recognized in the funds.		1,125,035
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(101,646)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	11,324,770	
Deferred inflows - pension	(3,422,139)	
Net pension liability	(36,929,010)	
Deferred outflows - OPEB	1,757,233	
Deferred inflows - OPEB	(5,403,626)	
Net OPEB asset	3,301,554	
Net OPEB liability	(2,252,467)	
Total		(31,623,685)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(22,760,000)	
Lease obligations	(47,239)	
Financed purchase obligations	(2,103,000)	
Compensated absences	(1,698,895)	
Total		(26,609,134)
Net position of governmental activities		$ 122,100,080

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY, OHIO

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

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 39,619,132	$ -	$ 2,337,582	$ 41,956,714
Intergovernmental	15,178,648	-	6,454,168	21,632,816
Investment earnings	1,507,317	-	27,820	1,535,137
Tuition and fees	190,316	-	-	190,316
Extracurricular	9,973	-	443,720	453,693
Rental income	6,000	-	-	6,000
Charges for services	18,803	-	193,686	212,489
Contributions and donations	2,306	-	62,039	64,345
Payment in lieu of taxes	412,500	-	-	412,500
Miscellaneous	247,974	-	30,191	278,165
Total revenues	57,192,969	-	9,549,206	66,742,175
Expenditures:				
Current:				
Instruction:				
Regular	14,864,964	-	1,695,640	16,560,604
Special	5,193,585	-	1,230,817	6,424,402
Vocational	3,064,275	-	406,159	3,470,434
Adult/continuing	11,401	-	-	11,401
Other	22,823	-	-	22,823
Support services:				
Pupil	2,410,153	-	1,197,119	3,607,272
Instructional staff	3,146,527	-	901,722	4,048,249
Board of education	30,104	-	-	30,104
Administration	4,208,192	-	106,264	4,314,456
Fiscal	1,652,534	-	59,158	1,711,692
Business	215	-	-	215
Operations and maintenance	4,430,606	-	1,694,003	6,124,609
Pupil transportation	4,306,046	-	245,442	4,551,488
Central	308,174	-	8,278	316,452
Operation of non-instructional services:				
Food service operations	39,323	-	1,777,939	1,817,262
Other non-instructional services	-	-	119,874	119,874
Extracurricular activities	653,824	-	424,590	1,078,414
Facilities acquisition and construction	-	-	30,539	30,539
Capital outlay	54,559	-	-	54,559
Debt service:				
Principal retirement	394,063	-	1,342,853	1,736,916
Interest and fiscal charges	76,650	-	1,111,485	1,188,135
Interest on capital appreciation bonds	-	-	57,147	57,147
Total expenditures	44,868,018	-	12,409,029	57,277,047
Excess of revenues over (under) expenditures	12,324,951	-	(2,859,823)	9,465,128
Other financing sources (uses):				
Sale of assets	2,279	-	-	2,279
Transfers in	-	7,000,000	435,237	7,435,237
Transfers (out)	(7,435,237)	-	-	(7,435,237)
Lease transaction	54,559	-	-	54,559
Total other financing sources (uses)	(7,378,399)	7,000,000	435,237	56,838
Net change in fund balances	4,946,552	7,000,000	(2,424,586)	9,521,966
Fund balances at beginning of year	47,512,542	7,407,020	8,556,298	63,475,860
Fund balances at end of year	$ 52,459,094	$ 14,407,020	$ 6,131,712	$ 72,997,826

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE 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		$ 9,521,966
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital asset additions	$ 2,340,003	
Current year depreciation/amortization	(4,850,216)	
Total		(2,510,213)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(17,544)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	8,153,682	
Earnings on investments	61,537	
Charges for services	49,797	
Intergovernmental	917,914	
Total		9,182,930
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		1,794,063
Issuance of leases are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		(54,559)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	1,920	
Amortization of deferred charges	(90,606)	
Total		(88,686)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	3,377,593	
OPEB	104,977	
Total		3,482,570
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(5,898,322)	
OPEB	403,271	
Total		(5,495,051)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(66,693)
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		684,858
Change in net position of governmental activities		$ 16,433,641

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property taxes	$ 38,927,888	$ 39,701,888	$ 39,702,187	$ 299
Intergovernmental	15,064,184	15,192,639	15,192,465	(174)
Investment earnings	150,000	1,380,047	1,368,506	(11,541)
Tuition and fees	269,208	187,992	187,992	-
Extracurricular	-	4,004	4,004	-
Rental income	6,000	6,000	6,000	-
Payment in lieu of taxes	-	412,500	412,500	-
Miscellaneous	181,800	204,850	205,595	745
Total revenues	54,599,080	57,089,920	57,079,249	(10,671)
Expenditures:				
Current:				
Instruction:				
Regular	15,542,996	15,240,017	15,217,374	22,643
Special	5,200,837	4,943,740	4,935,470	8,270
Vocational	2,691,211	2,832,032	2,828,767	3,265
Other	83,739	39,378	38,832	546
Support services:				
Pupil	2,575,211	2,415,992	2,412,358	3,634
Instructional staff	2,793,731	3,159,390	3,155,143	4,247
Board of education	38,392	34,776	34,490	286
Administration	4,432,954	4,307,295	4,295,109	12,186
Fiscal	1,615,592	1,669,389	1,668,335	1,054
Business	36,288	1,014	1,014	-
Operations and maintenance	5,708,655	6,596,638	6,588,253	8,385
Pupil transportation	4,152,389	4,437,947	4,434,766	3,181
Central	833,010	537,487	373,664	163,823
Operation of non-instructional services:				
Food service operations	32,759	47,841	47,104	737
Extracurricular activities	687,558	651,071	642,665	8,406
Debt service:				
Principal	380,000	382,000	382,000	-
Interest and fiscal charges	86,760	74,555	74,555	-
Total expenditures	46,892,082	47,370,562	47,129,899	240,663
Excess of revenues over expenditures	7,706,998	9,719,358	9,949,350	229,992
Other financing sources (uses):				
Refund of prior year's expenditures	2,100	16,730	16,822	92
Transfers (out)	(7,000,000)	(7,765,778)	(7,765,778)	-
Contingencies	(20,000,000)	-	-	-
Sale of assets	15,000	2,279	2,279	-
Total other financing sources (uses)	(26,982,900)	(7,746,769)	(7,746,677)	92
Net change in fund balance	(19,275,902)	1,972,589	2,202,673	230,084
Fund balance at beginning of year	45,276,766	45,276,766	45,276,766	-
Prior year encumbrances appropriated	884,599	884,599	884,599	-
Fund balance at end of year	$ 26,885,463	$ 48,133,954	$ 48,364,038	$ 230,084

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023

	Governmental Activities - Internal Service Fund
Assets:	
Current assets:	
Equity in pooled cash and investments	$ 77,233
Cash with fiscal agent	7,571,502
Total assets	7,648,735
Liabilities:	
Current liabilities:	
Accounts payable	2,526
Claims payable	1,070,339
Total liabilities	1,072,865
Net position:	
Unrestricted	6,575,870
Total net position	$ 6,575,870

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	$ 10,226,567
Operating expenses:	
Purchased services	1,337,218
Claims	8,320,242
Total operating expenses	9,657,460
Operating income	569,107
Nonoperating revenues:	
Interest revenue	115,751
Change in net position	684,858
Net position at beginning of year	5,891,012
Net position at end of year	$ 6,575,870

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE 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 transactions with other funds	$ 10,226,567
Cash payments for purchased services	(1,337,204)
Cash payments for claims	(8,320,560)
Net cash provided by operating activities	568,803
Cash flows from investing activities:	
Interest received	115,751
Net cash provided by investing activities	115,751
Net increase in cash and investments	684,554
Cash and investments at beginning of year	6,964,181
Cash and investments at end of year	$ 7,648,735
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 569,107
Changes in assets and liabilities:	
Accounts payable	14
Claims payable	(318)
Net cash provided by operating activities	$ 568,803

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2023

	Private-Purpose Trust
	Scholarship
Assets:	
Equity in pooled cash	
and investments	$ 193,419
Receivables:	
Accrued interest	1,353
Total assets	194,772
Net position:	
Held in trust for scholarships	194,772
Total net position	$ 194,772

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY, OHIO

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

	Private-Purpose Trust
	Scholarship
Additions:	
Investment income	$ 2,184
Deductions:	
Payments in accordance with trust agreements	196
Scholarships awarded	1,000
Total deductions	1,196
Change in net position	988
Net position at beginning of year	193,784
Net position at end of year	$ 194,772

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

Switzerland of Ohio Local School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District operates under a locally-elected Board form of government consisting of five members. The District provides educational services as authorized by its charter and further mandated by State statute and/or federal guidelines.

The District is the largest in square miles in the state. It is located in Monroe County and portions of Noble and Belmont Counties. The Board of Education controls the District's ten instructional/support facilities. The District is staffed by 185 classified employees, 265 certified full-time teaching personnel/administrative employees who provide services to 2,077 students and other community members.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

St. Sylvester's School is operated through the Steubenville Catholic Diocese. The parochial school is within the District's boundaries. Current State legislation provides funding to this parochial school. The monies are received and disbursed on behalf of the parochial school by the Treasurer of the District, as directed by the parochial school. The activities of these State monies by the District are reflected in a special revenue fund for financial reporting purposes due to GASB Statement No. 24.

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

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

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

JOINTLY GOVERNED ORGANIZATIONS

Ohio Mid-Eastern Regional Education Service Agency (OME-RESA)
OME-RESA was created as a separate regional council of governments pursuant to State statutes. OME-RESA operates under the direction of a board comprised of a representative from each participating school district. The Board exercises total control over the operation of OME-RESA including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. OME-RESA provides information technology and internet access to member districts, as well as cooperative purchasing programs.

OME-RESA is located at 2230 Sunset Blvd., Suite 2, Steubenville, Ohio 43952. The Jefferson County Educational Service Center is one of OME-RESA's member districts, and acts in the capacity of fiscal agent for OME-RESA. During the year ended June 30, 2023, the District paid $101,528 to OME-RESA for technology, internet access, financial accounting services, cooperating purchasing, and educational management information.

Coalition of Rural and Appalachian Schools (CORAS)
CORAS is a jointly governed organization composed of over 130 school districts and other educational institutions in the 35-county region of Ohio designated as Appalachia. The Coalition is operated by a Board which is composed of no more than nineteen members, not including ex-officio members. The Board shall include the Dean of the College of Education, and two additional members from Ohio University appointed by the Dean. There shall be one elected member from each of the eight multi-county regions. The eight elected members shall appoint eight additional members, one from each multi-county region. A County Region must have a minimum of five active public school district members to qualify for an elected and an appointed member on the Board. Elected and appointed members, other than those representing Ohio University, must be active school superintendents from a member school district. The Council provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Council is not dependent on the continued participation of the District and the District does not maintain an equity interest or financial responsibility for the Council.

The Council exercises total control over the operation of CORAS including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the Board. The District's membership fee was $325 for fiscal year 2023. To obtain financial information write to the Coalition of Rural and Appalachian Schools, Mike Shoemaker, Executive Director, at McCraken Hall, Ohio University, Athens, Ohio 45701.

Metropolitan Educational Technology Association (META)
META is a jointly governed organization created as a regional council of governments pursuant to Chapter 167 of the Ohio Revised Code. META is also known as META Solutions. META operates as, and has all the powers of, a data acquisition site/information technology center pursuant to applicable provisions of the Ohio Revised Code. The organization was formed for the purposes of identifying, developing, and providing to members and non-members innovative educational and technological services and products, as well as expanded opportunities for cooperative purchasing. The General Assembly of META consists of one delegate from every member school district. The delegate is the superintendent of the school district or the superintendent's designee. The degree of control exercised by any participating school district is limited to its representation on the General Assembly. The General Assembly exercises total control over the operation of META including budgeting, appropriating, contracting, and designating management. During fiscal year 2023 the District's membership payment for the purchasing cooperative was waived by META. Financial information may be obtained from the Metropolitan Educational Technology Association at 100 Executive Drive, Marion, Ohio 43302.

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

INSURANCE PURCHASING POOLS

Ohio SchoolComp Workers' Compensation Group Retrospective Rating Program (GRP)
The GRP is a shared risk pool among school districts in Ohio. Section 4123.29 of the Ohio Revised Code permits the establishment of employer group retrospective rating plans for workers' compensation rating purposes. The GRP is governed by the Ohio Association of School Business Officials (OASBO) Board of Directors. The Board of Directors shall be the Immediate Past President, the President, the President-Elect, the Vice President, the Secretary-Treasurer, five Regional Directors, and three At-Large Directors.

The GRP, a Bureau of Workers' Compensation certified sponsor, established the program based upon guidelines set forth by the Bureau of Workers' Compensation (BWC). The GRP created a group of school districts that will practice effective workplace safety and claims management to achieve lower premiums for workers' compensation coverage than they would individually. The participating school districts continue to pay their own premiums and have the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending upon that performance, the participating school districts can either receive a premium refund or assessment. The GRP's third party administrator (TPA), CompManagement, Inc., provides administrative, cost control, and actuarial services to the GRP. The cost of the TPA will be paid by each school district in proportion to its payroll to the total payroll of the group.

Ohio School Plan (OSP)
The District participates in the OSP, an insurance purchasing pool. The OSP is created an organized pursuant to, and as authorized by, Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs, and other administrative services. The OSP's business and affairs are conducted by a twelve member Board of Directors consisting of school district superintendents and treasurers. Hylant Administrative Services, LLC is the Administrator of the OSP and is responsible for providing underwriting, claims management, risk management, accounting, system support services, sales, and marketing.

Jefferson Health Plan
The District participates in the Jefferson Health Plan, a risk-sharing, claims servicing, and insurance purchasing pool comprised of over three hundred participants, including six pool organizations within the consortium. Each participant appoints a member of the insurance plans' assembly. The Plans' business and affairs are conducted by a nine member Board of Directors elected from the assembly. The Plan offers medical, dental, prescription drug, and vision coverage to the members on a self-insured basis, as well as the opportunity to participate in the group purchasing of life insurance coverage. The medical coverage plan provides each plan participant the opportunity to choose a self-insurance deductible limit which can range from $35,000 to $200,000 under which the individual member is responsible for all claims below the selected deductible. Plan participants also participate in a shared risk internal pool for individual claims between the self-insurance deductible limit and $1,500,000, and all claims between the deductible and the $1,500,000 are paid from the internal shared risk pool. The internal pool is not owned by the plan participants. All participants pay a funding accrual that is actuarially calculated based on the participants' actual claims experience which is utilized for the payment of claims and plan expenses within the participant's reserve account up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. All participants pay an additional fee for the selected deductible that is included in the funding accrual that is based on the claims of the selected internal pool deductible in aggregate and is not based on individual participant claims experience.

In the event of a deficit in the participant's reserve account, the participant would be charge an additional funding accrual, and in the event of a surplus, the participant can apply for a funding accrual moratoria. For all individual claims exceeding $1,500,000, umbrella stop loss coverage is purchased, as well as for an annual total plan aggregate claims amount. All plan participants also pay a monthly administrative fee for fiscal services and third party administrative services, among other fixed costs that are included in the monthly funding accrual.

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

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

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

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

Capital projects fund - The capital projects fund is used to accumulate money for one or more capital projects.

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

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no enterprise funds. The following is a description of the District's internal service fund:

Internal service fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The only internal service fund of the District accounts for a self-insurance program which provides medical, prescription and dental benefits to employees.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's trust fund is a private-purpose trust which is used to award a post-secondary scholarship to students whose majors are preferred to be in the engineering, physical and biological sciences, medicine, or business fields. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District has no custodial funds.

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

C. Basis of Presentation and Measurement Focus

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

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

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

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

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

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

The private-purpose trust fund is reported using the economic resources measurement focus.

D. Basis of Accounting

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

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes and payments in lieu of taxes is recognized in the fiscal year for which the taxes are levied (See Note 6).

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, tuition, rentals, grants, and student fees. Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met because such amounts have not yet been earned.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 12 and 13 for deferred outflows of resources related to net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes, payment in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

See Notes 12 and 13 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

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

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

E. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds of the District. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The treasurer has been authorized to further allocate appropriations to the function and object level within each fund. Advances in/out are not required to be budgeted since they represent a temporary cash flow resources and are intended to be repaid.

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

The appropriation resolution is subject to amendment by the Board of Education throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from the prior fiscal year. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board of Education during the fiscal year.

F. Cash and Investments

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

During fiscal year 2023, investments were limited to negotiable certificates of deposit, a U.S. Government money market fund, commercial paper, a municipal bond, a U.S. Treasury note and federal agency securities. Investments are reported at fair value, which is based on quoted market prices.

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest earnings credited to the general fund during fiscal year 2023 amounted to $1,507,317, which includes $395,513 assigned from other District funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

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

G. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are accounted for using the purchase method on the fund statements and using the consumption method on the government-wide statements.

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

H. 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.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District's capitalization threshold is $5,000. Improvements are capitalized, whereas the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Governmental Activities Estimated Lives
Buildings and improvements	30 years
Intangible leased assets	5 years
Furniture and equipment	5 - 7 years

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

I. Interfund Balances

On fund financial statements, receivables and payables resulting from cash deficits among the governmental activities are classified as amounts "due to/from other funds." These amounts are eliminated in the governmental activities column on the statement of net position.

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

J. Compensated Absences

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

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

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

On governmental fund financial statements, compensated absences are recognized as liability and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are reported as "compensated absences payable" in the fund which the employees who will receive the payment are paid.

K. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds; however, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Long-term obligations resulting from financing arrangements, such as leases and bonds, are recognized as a liability in the fund financial statements when due.

L. Fund Balance

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

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

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.

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which include giving the Treasurer the authority to constrain monies for intended purposes. 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 in the general fund.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

M. Net Position

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

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

N. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the statement of net position and balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the period in which services are consumed.

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

O. Estimates

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

P. Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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

Q. Pensions/Other Postemployment Benefits (OPEB)

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During fiscal year 2023, the District did not have any transactions that would be considered extraordinary or special.

S. Bond Premium and Discount, Deferred Charge on Refunding and Issuance Costs

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

For bond refundings resulting in the defeasance of the debt reported in the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred inflow or outflow on the government-wide financial statements.

On the governmental fund financial statements, bond premiums and discounts and issuance costs are recognized in the current period. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

T. Fair Value

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

U. Restricted Assets

Assets are reported as restricted assets when limitation on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. The District does not have any restricted assets.

V. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are charges for services and other operating revenues of the self-insurance program. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. Revenues and expenses not meeting this definition are reported as non-operating.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

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

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the District.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the District.

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

B. Deficit Fund Balances

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

Nonmajor funds	Deficit
Food service	$ 131,024
ESSER	939,678
Title VI-B	4,028
Vocational education	4,075
Title I	55,050
Supporting effective instruction	230

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

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

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

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

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

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, the State Treasury Asset Reserve of Ohio (STAR Ohio)

8. Certain banker's acceptances and commercial paper notes for a period not to exceed one hundred eighty days and two hundred seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time if training requirements have been met.

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Cash with Fiscal Agent

The District utilizes a self-insurance third party administrator to review and pay claims. Money held by the administrator is presented as "cash with fiscal agent." The amount held by the fiscal agent at June 30, 2023, was $7,571,502.

B. Deposits with Financial Institutions

At June 30, 2023, the carrying amount of all District deposits was $70,133,326. Based on the criteria described in GASB Statement No. 40, "*Deposits and Investment Risk Disclosures*", as of June 30, 2023, $25,393,627 of the District's bank balance of $45,030,548 was collateralized through the Ohio Pooled Collateral System (OPCS), while $25,393,627 was covered by the FDIC. The District's deposits are not exposed to custodial credit risk as discussed below.

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

C. Investments

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

		Investment maturities				
Measurement/ Investment type	Measurement value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair value:						
FHLMC	$ 317,871	$ 136,973	$ -	$ -	$ -	$ 180,898
FHLB	441,699	-	-	-	-	441,699
FFCB	249,334	-	-	-	-	249,334
Commercial paper	964,409	686,284	278,125	-	-	-
Municipal bond	244,225	244,225	-	-	-	-
U.S. Treasury note	205,829	-	-	-	205,829	-
Negotiable CD's	2,137,670	-	546,355	421,324	729,367	440,624
U.S. Government money market	31,128	31,128	-	-	-	-
	$ 4,592,165	$ 1,098,610	$ 824,480	$ 421,324	$ 935,196	$ 1,312,555

The weighted average maturity of investments is 1.50 years.

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Interest Rate Risk: Interest rate risk arises as potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: U.S. Government money market mutual funds carry a rating of AAAm by Standard & Poor's. The District's investments in federal agency securities and a U.S. Treasury note were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The District's investments in commercial paper were rated A-1+ or A-1 and P-1 by Standard & Poor's and Moody's Investor Services, respectively. The municipal bond was rated AA by Standard & Poor's. The District's investments in negotiable CD's are not rated as they are fully insured by the FDIC. The District's investment policy does not specifically address risk beyond requiring the District to only invest in securities authorized by State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities, U.S. Treasury note, commercial paper and municipal bond are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the District's name. The District's investments in negotiable CDs are insured by the FDIC. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2023:

Measurement/ Investment type	Measurement value	% of Total
Fair value:		
FHLMC	$ 317,871	6.92
FHLB	441,699	9.62
FFCB	249,334	5.43
Commercial paper	964,409	21.00
Municipal bond	244,225	5.32
U.S. Treasury note	205,829	4.48
Negotiable CD's	2,137,670	46.55
U.S. Government money market	31,128	0.68
	$ 4,592,165	100.00

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2023:

Cash and investments per note	
Carrying amount of deposits	$ 70,133,326
Cash with fiscal agent	7,571,502
Investments	4,592,165
Total	$ 82,296,993

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Cash and investments per financial statements	
Governmental activities	$ 82,103,574
Private-purpose trust fund	193,419
Total	$ 82,296,993

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended June 30, 2023, consisted of the following, as reported on the fund financial statements:

Transfers from the general fund to:	Amount
Capital projects fund	$ 7,000,000
Nonmajor governmental funds	435,237
Total	$ 7,435,237

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

All transfers made in fiscal year 2023 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16. Transfers between governmental funds are eliminated for reporting on the government-wide financial statements.

B. Interfund balances at June 30, 2023 as reported on the fund statements, consist of the following amounts due to/from other funds:

Receivable fund	Payable fund	Amount
General	Nonmajor governmental funds	$ 316,742

The primary purpose of the interfund balances is to cover negative cash balances in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

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NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed values as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Public utility real and personal property taxes received in calendar year 2023 became a lien on December 31, 2021, were levied after April 1, 2022, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Monroe, Belmont and Noble Counties. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available as an advance at June 30, 2023 was $3,715,544 in the general fund, $166,011 in the bond retirement fund (a nonmajor governmental fund), and $53,220 in the classroom facilities maintenance fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2022 was $3,798,598 in the general fund, $172,766 in the bond retirement fund (a nonmajor governmental fund), and $54,748 in the classroom facilities maintenance fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2023 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

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

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 653,471,240	51.33	$ 679,970,810	44.95
Public utility personal	619,727,760	48.67	832,873,370	55.05
Total	$ 1,273,199,000	100.00	$ 1,512,844,180	100.00
Tax rate per $1,000 of assessed valuation	$37.30		$37.30	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2023 consisted of property taxes, payments in lieu of taxes, accounts, accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:	
Property taxes	$ 62,659,580
Payments in lieu of taxes	412,500
Accounts	117,615
Accrued interest	222,063
Intergovernmental	1,543,888
Total	$ 64,955,646

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected in the subsequent year.

NOTE 8 - CAPITAL ASSETS

	Balance 06/30/22	Additions	Deductions	Balance 06/30/23
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 1,030,070	$ -	$ -	$ 1,030,070
Construction in progress	-	695,602	-	695,602
Total capital assets, not being depreciated/amortized	1,030,070	695,602	-	1,725,672
Capital assets, being depreciated/amortized:				
Buildings and improvements	108,113,634	383,780	-	108,497,414
Intangible right to use assets	25,078	54,559	-	79,637
Furniture and equipment	5,431,262	660,460	(18,799)	6,072,923
Vehicles	6,066,307	545,602	-	6,611,909
Total capital assets, being depreciated/amortized	119,636,281	1,644,401	(18,799)	121,261,883
Less: accumulated depreciation/amortization:				
Buildings and improvements	(33,387,229)	(3,735,821)	-	(37,123,050)
Intangible right to use assets	(17,207)	(12,979)	-	(30,186)
Furniture and equipment	(3,030,210)	(689,577)	1,255	(3,718,532)
Vehicles	(3,529,133)	(411,839)	-	(3,940,972)
Total accumulated depreciation/amortization	(39,963,779)	(4,850,216)	1,255	(44,812,740)
Governmental activities capital assets, net	$ 80,702,572	$ (2,510,213)	$ (17,544)	$ 78,174,815

NOTE 8 - CAPITAL ASSETS - (Continued)

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

Instruction:	
Regular	$ 1,542,020
Special	490,053
Vocational	586,691
Adult/continuing	152,005
Other	1,168
Support services:	
Pupil	264,044
Instructional staff	290,557
Administration	398,091
Fiscal	52,373
Operations and maintenance	228,977
Pupil transportation	664,721
Central	85,213
Operation of non-instructional services:	
Food service operations	90,630
Other non-instructional services	3,367
Extracurricular activities	306
Total depreciation/amortization expense	$ 4,850,216

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NOTE 9 - LONG-TERM OBLIGATIONS

A. The District's long-term obligations during fiscal year 2023 were as follows:

	Balance Outstanding June 30, 2022	Additions	Reductions	Balance Outstanding June 30, 2023	Amounts Due in One Year
Governmental activities:					
General obligation bonds:					
2009A school improvement bonds					
Qualified school construction bonds	$ 2,295,000	$ -	$ (765,000)	$ 1,530,000	$ 765,000
2013 refunding bonds					
Capital appreciation bonds	2,853	-	(2,853)	-	-
Accreted interest	57,147	-	(57,147)	-	-
2019 refunding bonds					
Current interest bonds	21,805,000	-	(575,000)	21,230,000	670,000
Total general obligation bonds payable	24,160,000	-	(1,400,000)	22,760,000	1,435,000
Other long-term obligations:					
Leases payable	4,743	54,559	(12,063)	47,239	10,724
Financed purchase agreement	2,485,000	-	(382,000)	2,103,000	394,000
Net pension liability	22,419,632	14,509,378	-	36,929,010	-
Net OPEB liability	3,159,315	-	(906,848)	2,252,467	-
Compensated absences	1,634,310	176,529	(100,010)	1,710,829	86,934
Total other long-term obligations	29,703,000	14,740,466	(1,400,921)	43,042,545	491,658
Total long-term obligations governmental activities	$ 53,863,000	$ 14,740,466	$ (2,800,921)	$ 65,802,545	$ 1,926,658

Compensated absences - Compensated absences will be paid from the fund from which the employee's salaries are paid which, for the District, is primarily the general fund and the following nonmajor governmental fund: food service.

Net pension liability - See Note 12 for details on the District's net pension liability. The District pays obligations related to employee compensation from the fund benefitting from their service, which, for the District, is primarily the general fund.

Net OPEB liability - See Note 13 for details on the District's net OPEB liability. The District pays obligations related to employee compensation from the fund benefitting from their service, which, for the District, is primarily the general fund.

2009A school improvement bonds - On October 26, 2009, the District issued $10,000,000 in Qualified School Construction Bonds (QSCBs) in accordance with the American Recovery and Reinvestment Act of 2009 (ARRA). These bonds were issued for the purpose of paying a portion of the local share of school construction under the State of Ohio Classroom Facilities Assistance Program, together with other improvements to school facilities, equipment, furnishings, building demolition, other site improvements, and all necessary appurtenances thereto.

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The bonds bear an interest rate of 1.65% and will be repaid from the bond retirement fund from a levy approved by the voters of the District at an election held on May 5, 2009. Final maturity of the QSCBs is on September 15, 2024. The issuance included issuance costs of $113,409 which were previously expensed.

In accordance with bond covenants, the District shall deposit in the sinking fund for the accumulation of funds necessary to pay the bonds at maturity. The District shall deposit monies annually on September 15 of each year as needed so that the balance in the sinking fund (taking into account the interest earned on such fund) shall be equal to and not exceed the amounts set forth below. The principal (sinking fund deposits) and interest requirements to maturity are as follows:

	2009A School Improvement Bonds		
Fiscal	Qualified School Construction Bonds		
Year Ended	Principal	Interest	Total
2024	$ 765,000	$ 165,000	$ 930,000
2025	765,000	82,500	847,500
Total	$ 1,530,000	$ 247,500	$ 1,777,500

2009B school improvement bonds - On November 10, 2009, the District issued $24,999,999 in school improvement bonds. The issue consisted of tax exempt bonds (serial, term and capital appreciation) and Build America Bonds (BABs). The bonds were issued for the purpose of repaying outstanding bond anticipation notes issued for the purpose of paying the local share of school construction under the State of Ohio Classroom Facilities Assistance Program, together with other improvements to school facilities, equipment, furnishings, building demolition, other site improvements, and all appurtenances thereto. The bonds bear an interest rate of 4.00% and will be repaid from the bond retirement fund from a levy approved by the voters of the District at an election held on May 5, 2009. On June 19, 2013, the BABs portion, in the amount of $24,500,000, was current refunded.

The capital appreciation bonds matured on December 1 of the years 2019 and 2020 (approximate initial offering yield to maturity range 4.55% - 4.65%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The bonds were retired through the bond retirement fund.

As part of both of the 2009 bond issuances, the District, pursuant to Section 3317.18, Ohio Revised Code, and Section 3301-8-01, Ohio Administrative Code, participated in the Ohio Credit Enhancement Program, and was assigned a long-term rating of AA/Stable from Standard & Poor's for the bond issuances. In the event the District is unable to make sufficient debt service payments and the payment will not be made by a credit enhancement facility, the Ohio Department of Education will make the sufficient payment.

2013 school improvement refunding bonds - On June 19, 2013, the District issued general obligation bonds (2013 school improvement refunding bonds) to current refund the 2009B Build America Bonds.

The refunding issue is comprised of both current interest bonds (term and serial bonds), par value $24,460,000, and capital appreciation bonds, par value $39,994. The interest rate on the current interest bonds ranged from 3.00-5.00%. The capital appreciation bonds matured on December 1 of the years 2019-2022 (approximate initial offering yield to maturity range 2.15% - 3.10%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the outstanding capital appreciation bonds was $120,000. The bonds were retired through the bond retirement fund (a nonmajor governmental fund).

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The reacquisition price exceeded the net carrying amount of the old debt by $492,657, which was expensed in the year of issuance. The District completed its refunding to reduce its total debt service requirements over the subsequent twenty-five years by $1,161,920 in order to obtain an economic gain of $670,909.

On November 27, 2019, the District issued $22,715,000 (2019 school improvement refunding bonds) to advance refund the callable portion of the bonds. The refunded portions of the 2013 bonds included all of the serial and term bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

2019 school improvement refunding bonds - On November 27, 2019, the District issued general obligation bonds (2019 school improvement refunding bonds) to advance refund the serial and term portions of the 2013 school improvement refunding bonds. The issuance proceeds of $22,349,516 and a $4,000,000 contribution from the District's bond retirement fund were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The defeased bonds were called on June 1, 2023.

The refunding issue is comprised of current interest bonds (serial bonds), par value $22,715,000. The interest rate on the current interest bonds ranges from 1.925-3.175%. The bonds will be retired through the bond retirement fund (a nonmajor governmental fund).

The reacquisition price exceeded the net carrying amount of the old debt by $1,449,709, which is being netted against the new debt and amortized over the remaining life of the refunding debt. The District completed its refunding to reduce its total future debt service requirements $7,404,296 in order to obtain an economic gain of $4,545,031.

Interest payments on the current interest bonds are due June 1 and December 1 each year. The final maturity stated on the issue is December 1, 2035.

Optional Redemption
The current interest refunding bonds maturing on or after December 1, 2030 are subject to optional redemption prior to maturity, in whole or in part on any date in any order of maturity as determined by the Board of Education and by lot within a maturity, at the option of the Board of Education on or after December 1, 2029, at par plus accrued interest thereon.

Principal and interest requirements to maturity for the 2019 current interest bonds are as follows:

	2019 School Improvement Bonds		
Fiscal	Current Interest Bonds		
Year Ended	Principal	Interest	Total
2024	$ 670,000	$ 577,605	$ 1,247,605
2025	710,000	562,697	1,272,697
2026	1,580,000	535,793	2,115,793
2027	1,615,000	496,842	2,111,842
2028	1,655,000	455,396	2,110,396
2029-2033	8,975,000	1,572,312	10,547,312
2034-2036	6,025,000	285,792	6,310,792
Total	$ 21,230,000	$ 4,486,437	$ 25,716,437

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

2018 financed purchase agreement - On April 20, 2018, the District entered into a financed purchase agreement with Huntington Bank for facilities upgrades. The original amount financed was $3,946,000. This obligation bears an interest rate of 3.25% and matures on December 1, 2027. Principal and interest for this obligation is paid from the general fund.

This agreement is considered a direct borrowing with terms negotiated between the District and the financing company is not offered for public sale.

Principal and interest requirements to maturity for the 2018 financed purchase agreement are as follows:

	Direct Borrowing		
Fiscal	2018 Financed Purchase Agreement		
Year Ended	Principal	Interest	Total
2024	$ 394,000	$ 61,945	$ 455,945
2025	407,000	48,929	455,929
2026	420,000	35,490	455,490
2027	434,000	21,612	455,612
2028	448,000	7,280	455,280
Total	$ 2,103,000	$ 175,256	$ 2,278,256

Leases Payable - The District has entered into lease agreements for the use of right to use equipment. Due to the implementation of GASB Statement No. 87, the District will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund. Lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for governmental funds. These expenditures are reported as function expenditures on the budgetary statement.

The District has entered into lease agreements for copier equipment and a postage machine at varying years and terms as follows:

Equipment	Lease Commencement Date	Years	Lease End Date	Payment Method
Copiers	2022	5	2027	Monthly
Postage machine	2018	5	2023	Monthly

The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Principal	Interest	Total
2024	$ 10,724	$ 2,111	$ 12,835
2025	10,914	1,578	12,492
2026	11,473	1,019	12,492
2027	12,059	433	12,492
2028	2,069	13	2,082
Total	$ 47,239	$ 5,154	$ 52,393

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

B. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2023, are a voted debt margin of $115,959,931 (included available funds of $2,563,955) and an unvoted debt margin of $1,512,844.

NOTE 10 - RISK MANAGEMENT

A. 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. During fiscal year 2023, the District has participated in the Ohio School Plan (OSP) to provide coverage in the following amounts:

Coverage	Limits of Coverage	Deductible
Ohio School Plan		
General liability:		
Each occurence	$ 6,000,000	$ -
Aggregate	8,000,000	-
Fiduciary liability		
Each occurence	6,000,000	2,500
Aggregate	8,000,000	2,500
Fleet:		
Liability	2,000,000	-
Uninsured motorist	1,000,000	-
Medical pay	5,000	-
Comprehensive - other vehicles	-	250
Collision - other vehicles	-	250
Comprehensive - buses	-	1,000
Collision - buses	-	1,000
Building and contents	180,866,037	1,000
Employee benefits:		
Each occurence	6,000,000	2,500
Aggregate	8,000,000	2,500
Errors and omissions		
Each occurence	6,000,000	5,000
Aggregate	8,000,000	5,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There was no significant reduction in coverage from the prior year.

NOTE 10 - RISK MANAGEMENT - (Continued)

B. Workers' Compensation

For fiscal year 2023, the District participated in the Ohio SchoolComp Workers' Compensation Group Retrospective Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve lower workers' compensation rates while establishing safer working conditions and environments for participants.

The participating school districts continue to pay their own premiums and have the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending upon that performance, the participating school districts can either receive a refund or assessment. Employers will pay experience or based rate premiums under the same terms as if they were not in a retro group. The total premium for the entire group is the standard premium of the group. The standard premium serves as the benchmark that is adjusted up and down retroactively. In order to allocate the savings derived by formation of the GRP, the GRP's executive committee annually calculates the group-retrospective premium based on developed incurred claim losses for the whole group. The new premium is compared to the standard premium. If the retrospective premium is lower than the standard premium, a refund will be distributed to the employers of the group. If the retrospective premium is higher, an assessment will be charged to each participant. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Comp Management, Inc. serves as the third party administrator of the GRP and provides administrative, cost control, and actuarial services. Each year, the District pays an enrollment fee to the GRP to cover the costs of administering the program. The District may withdraw from the GRP if notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the GRP prior to withdrawl.

C. Employee Medical Benefits

The District is a member of the Jefferson Health Plan, a risk sharing, claims servicing, and insurance purchasing pool, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the District's behalf. All employees were offered coverage for medical/surgical and prescription drug coverage through the Jefferson Health Plan. The Board pays 90 percent of premiums. The claims liability of $1,070,339 reported in the internal service fund at June 30, 2023, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling claims.

Changes in claims activity for the fiscal year is as follows:

Fiscal Year	Beginning Balance	Claims Incurred	Claims Payments	Ending Balance
2023	$ 1,070,657	$ 8,320,242	$ (8,320,560)	$ 1,070,339
2022	1,012,149	7,900,040	(7,841,532)	1,070,657

NOTE 11 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

NOTE 11 - OTHER EMPLOYEE BENEFITS - (Continued)

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave accumulation is limited to 260 days for classified employees and 270 days for certified employees. Upon retirement, payment is made for twenty-five percent of the total sick leave accumulation.

B. Insurance Benefits

The District provides life insurance and accidental death and dismemberment insurance to most employees through Mutual of Omaha. Coverage in the amount of $50,000 is provided for all certified and non-certified employees. Administrators have coverage of twice their salary amount with a maximum of $100,000.

The District has contracted with Delta Dental to provide dental coverage. Rates are set through an annual calculation process. The monthly premium for dental coverage was funded entirely by the District.

The District has contracted with Vision Service Plan to provide employee vision benefits. Rates are set through an annual calculation process. The employee shares the cost of the monthly premiums. The District paid ninety percent of the premiums and employees paid ten percent.

C. Retirement Incentive

The District's negotiated agreement with the Switzerland of Ohio Education Association provides for payment of one-half of total accumulated sick leave to any certificated staff who is covered under their contract and retires in the first year that they become eligible to receive benefits from the State Teachers Retirement System. Any certificated staff covered under this contract who retires at any other time is eligible to receive one-fourth of their accumulated sick leave (see compensated absences).

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

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

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was $834,455 for fiscal year 2023. Of this amount, $80,380 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

The District's contractually required contribution to STRS was $2,543,138 for fiscal year 2023. Of this amount, $442,340 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.165233500%	0.127664042%	
Proportion of the net pension liability current measurement date	0.158709900%	0.127506000%	
Change in proportionate share	-0.006523600%	-0.000158042%	
Proportionate share of the net pension liability	$ 8,584,266	$ 28,344,744	$ 36,929,010
Pension expense	$ 1,021,899	$ 4,876,423	$ 5,898,322

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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	$ 347,670	$ 362,850	$ 710,520
Net difference between projected and actual earnings on pension plan investments	-	986,330	986,330
Changes of assumptions	84,701	3,392,015	3,476,716
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	371,237	2,402,374	2,773,611
Contributions subsequent to the measurement date	834,455	2,543,138	3,377,593
Total deferred outflows of resources	$ 1,638,063	$ 9,686,707	$ 11,324,770
Deferred inflows of resources			
Differences between expected and actual experience	$ 56,353	$ 108,427	$ 164,780
Net difference between projected and actual earnings on pension plan investments	299,552	-	299,552
Changes of assumptions	-	2,553,211	2,553,211
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	272,621	131,975	404,596
Total deferred inflows of resources	$ 628,526	$ 2,793,613	$ 3,422,139

$3,377,593 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	$ 268,345	$ 1,067,329	$ 1,335,674
2025	(163,155)	722,658	559,503
2026	(427,914)	(314,651)	(742,565)
2027	497,806	2,874,620	3,372,426
Total	$ 175,082	$ 4,349,956	$ 4,525,038

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 12,635,630	$ 8,584,266	$ 5,171,047

Actuarial Assumptions - STRS

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

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

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

For the prior measurement date, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the net pension liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 42,818,590	$ 28,344,744	$ 16,104,352

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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. 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% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was $104,977.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $104,977 for fiscal year 2023. Of this amount, $104,977 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability/asset was measured as of June 30, 2022, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.166931500%	0.127664042%	
Proportion of the net OPEB liability/asset current measurement date	0.160430900%	0.127506000%	
Change in proportionate share	-0.006500600%	-0.000158042%	
Proportionate share of the net OPEB liability	$ 2,252,467	$ -	$ 2,252,467
Proportionate share of the net OPEB asset	$ -	$ 3,301,554	$ 3,301,554
OPEB expense	$ 55,527	$ (458,798)	$ (403,271)

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	$ 18,937	$ 47,862	$ 66,799
Net difference between projected and actual earnings on OPEB plan investments	11,709	57,469	69,178
Changes of assumptions	358,282	140,635	498,917
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	766,832	250,530	1,017,362
Contributions subsequent to the measurement date	104,977	-	104,977
Total deferred outflows of resources	$ 1,260,737	$ 496,496	$ 1,757,233

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 1,440,844	$ 495,834	$ 1,936,678
Changes of assumptions	924,653	2,341,125	3,265,778
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	201,170	-	201,170
Total deferred inflows of resources	$ 2,566,667	$ 2,836,959	$ 5,403,626

$104,977 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2024.

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	$ (243,626)	$ (621,083)	$ (864,709)
2025	(283,659)	(645,626)	(929,285)
2026	(272,080)	(346,573)	(618,653)
2027	(153,745)	(144,470)	(298,215)
2028	(134,378)	(191,952)	(326,330)
Thereafter	(323,419)	(390,759)	(714,178)
Total	$ (1,410,907)	$ (2,340,463)	$ (3,751,370)

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.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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:

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

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

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 5-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

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

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08%. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 2,797,597	$ 2,252,467	$ 1,812,398

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 1,737,056	$ 2,252,467	$ 2,925,676

Actuarial Assumptions - STRS

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

	June 30, 2022		June 30, 2021	
Inflation	2.50%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

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

Discount Rate - The discount rate used to measure the total OPEB asset was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB asset as of June 30, 2022.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 3,057,301	$ 3,301,554	$ 3,515,148

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 3,424,515	$ 3,301,554	$ 3,146,347

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

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

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

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

Net Change in Fund Balance

	General fund
Budget basis	$ 2,202,673
Net adjustment for revenue accruals	34,424
Net adjustment for expenditure accruals	(135,829)
Net adjustment for other sources/uses	37,737
Funds budgeted elsewhere	101,961
Adjustment for encumbrances	2,705,586
GAAP basis	$ 4,946,552

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the River High School scholarship fund, special services rotary fund, adult education fund, unclaimed monies fund, severance fund, public school support fund and the IRS Section 125 medical and dependent care fund.

NOTE 15 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

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

	Capital Improvements
Set-aside balance June 30, 2022	$ -
Current year set-aside requirement	421,642
Current year qualifying expenditures	(502,774)
Current year offsets	(7,631,361)
Total	$ (7,712,493)
Balance carried forward to fiscal year 2024	$ -
Set-aside balance June 30, 2023	$ -

NOTE 15 - SET-ASIDES - (Continued)

Debt proceeds may be used to reduce the capital set-aside reserve. The amount used each fiscal year is limited to the amount of revenue collected to service the debt or the set-aside balance less any offsets and qualified expenditures. The 2009 school improvement bonds proceeds less the accumulated amount of debt proceeds used as an offset is carried forward to future fiscal years until consumed. The amount of debt proceeds that may be used as an offset in future fiscal years is $5,513,480.

NOTE 16 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, state, and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District; however, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

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

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has finalized the impact of enrollment adjustments to the June 30, 2023 Foundation funding for the District, which did not result in a material receivable to, or liability of, the District.

NOTE 17 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During fiscal year 2023, the District received COVID-19 funding. The District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

NOTE 18 - CONTRACTUAL COMMITMENT

The District has a contractual commitment with Trane U.S. Inc., for various HVAC upgrades and improvements throughout the District. The total of this contract is $3,941,913. The District did not make any payments on this contract during fiscal year 2023, however, payable amounts totaling $695,602 are reported in the District’s financial statements.

NOTE 19 - OTHER COMMITMENTS

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

Fund	Fiscal Year-End Encumbrances
General	$ 2,549,797
Nonmajor governmental	6,359,977
Total	$ 8,909,774

NOTE 20 - TAX ABATEMENTS

Under the authority of Ohio Revised Code Section 5709.63, the Board of County Commissioners, with the consent of the legislative authority of each affected Township and Municipal Corporation, may designate enterprise zones. An Enterprise Zone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. The local legislative authority negotiates the terms of the Enterprise Zone Agreement (the "Agreement") with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. Once the Department of Taxation approves the agreement, the amount of the abatement is deducted from the business's property tax bill by removing the valuation from the taxable parcel and listing the associated assessed value on the exempt tax list.

The District's property taxes were reduced by $312,048 in fiscal year 2023 under various Enterprise Zone tax abatement agreements.

REQUIRED SUPPLEMENTARY INFORMATION

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net pension liability	0.15870990%	0.16523350%	0.13846400%	0.13172800%
District's proportionate share of the net pension liability	$ 8,584,266	$ 6,096,637	$ 9,158,301	$ 7,881,517
District's covered payroll	$ 5,621,571	$ 5,531,414	$ 4,871,400	$ 4,551,904
District's proportionate share of the net pension liability as a percentage of its covered payroll	152.70%	110.22%	188.00%	173.15%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2019		2018		2017		2016		2015		2014
	0.12657440%		0.10841180%		0.10137080%		0.09828170%		0.09934200%		0.09934200%
$	7,249,151	$	6,477,365	$	7,419,407	$	5,608,049	$	5,027,643	$	5,907,550
$	4,166,993	$	3,620,714	$	3,170,786	$	2,951,914	$	2,885,029	$	2,817,863
	173.97%		178.90%		233.99%		189.98%		174.27%		209.65%
	71.36%		69.50%		62.98%		69.16%		71.70%		65.52%

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net pension liability	0.127506000%	0.127664042%	0.115936350%	0.107546270%
District's proportionate share of the net pension liability	$ 28,344,744	$ 16,322,995	$ 28,052,471	$ 23,783,211
District's covered payroll	$ 16,567,443	$ 16,173,679	$ 14,881,307	$ 12,780,964
District's proportionate share of the net pension liability as a percentage of its covered payroll	171.09%	100.92%	188.51%	186.08%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
	0.102672460%		0.086881430%		0.082161140%		0.080941500%		0.084184900%		0.099338200%
$	22,575,369	$	20,638,870	$	27,501,811	$	22,369,864	$	20,476,682	$	28,782,198
$	11,770,464	$	9,748,571	$	8,670,814	$	8,490,007	$	8,292,069	$	9,812,423
	191.80%		211.71%		317.18%		263.48%		246.94%		293.32%
	77.31%		75.30%		66.80%		72.10%		74.70%		69.30%

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 834,455	$ 787,020	$ 774,398	$ 681,996
Contributions in relation to the contractually required contribution	(834,455)	(787,020)	(774,398)	(681,996)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 5,960,393	$ 5,621,571	$ 5,531,414	$ 4,871,400
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	
$	614,507	$	562,544	$	506,900	$	443,910	$	389,062	$	423,063
	(614,507)		(562,544)		(506,900)		(443,910)		(389,062)		(423,063)
$	-	$	-	$	-	$	-	$	-	$	-
$	4,551,904	$	4,166,995	$	3,620,716	$	3,170,788	$	2,951,909	$	3,052,403
	13.50%		13.50%		14.00%		14.00%		13.18%		13.86%

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 2,543,138	$ 2,319,442	$ 2,264,315	$ 2,083,383
Contributions in relation to the contractually required contribution	(2,543,138)	(2,319,442)	(2,264,315)	(2,083,383)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 18,165,271	$ 16,567,443	$ 16,173,679	$ 14,881,307
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
$ 1,789,335	$ 1,647,865	$ 1,364,800	$ 1,213,914	$ 1,188,601	$ 1,077,969
(1,789,335)	(1,647,865)	(1,364,800)	(1,213,914)	(1,188,601)	(1,077,969)
$ -	$ -	$ -	$ -	$ -	$ -
$ 12,780,964	$ 11,770,464	$ 9,748,571	$ 8,670,814	$ 8,490,007	$ 8,292,069
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net OPEB liability	0.16043090%	0.16693150%	0.13931320%	0.13341620%
District's proportionate share of the net OPEB liability	$ 2,252,467	$ 3,159,315	$ 3,027,732	$ 3,355,137
District's covered payroll	$ 5,621,571	$ 5,531,414	$ 4,871,400	$ 4,551,904
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	40.07%	57.12%	62.15%	73.71%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017
0.12819340%	0.11000490%	0.10261790%
$ 3,556,430	$ 2,952,243	$ 2,924,990
$ 4,166,993	$ 3,620,714	$ 3,170,786
85.35%	81.54%	92.25%
13.57%	12.46%	11.49%

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net OPEB liability/asset	0.127506000%	0.127664042%	0.115936350%	0.107546270%
District's proportionate share of the net OPEB liability/(asset)	$ (3,301,554)	$ (2,691,692)	$ (2,037,581)	$ (1,781,224)
District's covered payroll	$ 16,567,443	$ 16,173,679	$ 14,881,307	$ 12,780,964
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	19.93%	16.64%	13.69%	13.94%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.10%	174.70%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017	
	0.102672460%		0.086881430%		0.082161140%
$	(1,649,841)	$	3,389,792	$	4,393,999
$	11,770,464	$	9,748,571	$	8,670,814
	14.02%		34.77%		50.68%
	176.00%		47.10%		37.33%

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 104,977	$ 95,301	$ 91,329	$ 68,826
Contributions in relation to the contractually required contribution	(104,977)	(95,301)	(91,329)	(68,826)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 5,960,393	$ 5,621,571	$ 5,531,414	$ 4,871,400
Contributions as a percentage of covered payroll	1.76%	1.70%	1.65%	1.41%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
$	96,793	$	89,130	$	59,918	$	51,452	$	75,596	$	54,358
	(96,793)		(89,130)		(59,918)		(51,452)		(75,596)		(54,358)
$	-	$	-	$	-	$	-	$	-	$	-
$	4,551,904	$	4,166,995	$	3,620,716	$	3,170,788	$	2,951,909	$	3,052,403
	2.13%		2.14%		1.65%		1.62%		2.56%		1.78%

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 18,165,271	$ 16,567,443	$ 16,173,679	$ 14,881,307
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ -	$ -	$ -	$ -	$ -	$ 82,921
-	-	-	-	-	(82,921)
$ -	$ -	$ -	$ -	$ -	$ -
$ 12,780,964	$ 11,770,464	$ 9,748,571	$ 8,670,814	$ 8,490,007	$ 8,292,069
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit receipients commencing benefits on or after April 1, 2018.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

(Continued)

PENSION (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :
- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023.

Changes in assumptions :
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

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

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Changes in assumptions :

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense,
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Changes in assumptions (continued) :

- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (PREPARED BY MANAGEMENT)
FOR THE YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Grant Year**	**Cash Expenditures**	**Non-Cash Expenditures**
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	N/A	$ 272,225	$ -
National School Lunch Program	10.555	N/A	587,414	108,955
National School Lunch Program (Summer Seamless Program)	10.555	N/A	2,110	-
Total Child Nutrition Cluster			861,749	108,955
Total U.S. Department of Agriculture			861,749	108,955
APPALACHIAN REGIONAL COMMISSION				
Passed Through Ohio Department of Education				
Appalachian Area Development	23.002	2022	544,964	-
Total Appalachian Regional Commission			544,964	-
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education				
Title I				
Title I Grants to Local Education Agencies	84.010	2023	695,582	-
Title I Grants to Local Education Agencies	84.010	2022	86,345	-
School Improvement Sub A. Title I	84.010	2023	27,368	-
School Improvement Sub A. Title I	84.010	2022	62,080	-
Improving Basic Programs Operated by Local Educational Agencies (Title I, Part A)	84.010A	2023	22,435	-
Improving Basic Programs Operated by Local Educational Agencies (Title I, Part A)	84.010A	2022	22,176	-
Total Title I			915,986	-
Special Education Cluster				
Special Education Grants to States - IDEA Part B - ARP	84.027	2023	9,890	-
Special Education Grants to States - IDEA Part B	84.027	2023	559,424	-
Special Education Grants to States - IDEA Part B	84.027	2022	101,329	-
Special Education Grants to States - IDEA Part B - ARP	84.027	2022	1,994	-
Special Education Preschool Grants - (IDEA Preschool) - ARP	84.173X	2023	5,820	-
Special Education Preschool Grants - (IDEA Preschool) - ARP	84.173X	2022	403	-
Total Special Education Cluster			678,860	-
Career and Technical Education				
Career and Technical Education Basic Grants to States	84.048	2023	51,391	-
Career and Technical Education Basic Grants to States	84.048	2022	5,218	-
Total Career and Technical Education			56,609	-
Twenty-First Century Community Learning Centers	84.287	2023	96,911	-
Twenty-First Century Community Learning Centers	84.287	2022	9,265	-
Total Twenty Frist Century Community Learning Centers			106,176	-
Improving Teacher Quality State Grants				
Improving Teacher Quality State Grants	84.367	2023	151,208	-
Improving Teacher Quality State Grants	84.367	2022	3,531	-
Total Improving Teacher Quality State Grants			154,739	-
Student Support and Academic Enrichment Program				
Student Support and Academic Enrichment Program	84.424	2023	45,836	-
Student Support and Academic Enrichment Program	84.424A	2022	14,818	-
Total Student Support and Academic Enrichment Program			60,654	-
Education Stabilization Fund				
Education Stabilization Fund - Cares Act	84.425D	2022	140,787	-
Education Stabilization Fund - American Rescue Plan	84.425U	2022	235,934	-
Education Stabilization Fund - COVID19	84.425	2023	16,808	-
Education Stabilization Fund - COVID19	84.425	2023	736,808	-
Education Stabilization Fund - COVID19	84.425W	2023	1,100,582	-
Total Education Stabilization Fund			2,230,919	-
Total U.S. Department of Education			4,203,943	-
Total Expenditures of Federal Awards			$ 5,610,656	$ 108,955

The accompanying notes are an integral part of this schedule.

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(PREPARED BY MANAGEMENT)
2 CFR 200.510(b)(6)
FOR THE 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 Switzerland of Ohio Local 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 not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

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Certified Public Accountants Fax - (216) 436-2411

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*

Switzerland of Ohio Local School District
Monroe County
304 Mill Street
Woodsfield, Ohio 43793

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Switzerland of Ohio Local School District, Monroe 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 29, 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 purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

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

However, we noted a certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated January 29, 2024.

Purpose of this Report

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

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.
January 29, 2024

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

Switzerland of Ohio Local School District
Monroe County
304 Mill Street
Woodsfield, Ohio 43793

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Switzerland of Ohio Local School District, Monroe County, Ohio's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on 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.

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 its major federal programs for the year ended June 30, 2023.

Basis for Opinion on each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Charles E. Harris & Associates, Inc.
January 29, 2024

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT
MONROE COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Education Stabilization Fund - ALN #84.425 Nutrition Cluster – ALN #10.555, #10.553
(d)(1)(viii)	**Dollar Threshold: Type A/B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR §200.520?**	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE
KEITH FABER

SWITZERLAND OF OHIO LOCAL SCHOOL DISTRICT

MONROE 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