TORONTO CITY SCHOOL DISTRICT

JEFFERSON 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

88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Board of Education
Toronto City School District
1307 Dennis Way
Toronto, Ohio 43964

We have reviewed the *Independent Auditor's Report* of the Toronto City School District, Jefferson 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. The Toronto City School District is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

March 06, 2024

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JEFFERSON COUNTY
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5510 Pearl Road Ste 102
Parma, OH 44129-2550
Charles E. Harris & Associates, Inc. Phone - (216) 575-1630
Certified Public Accountants Fax - (216) 436-2411

INDEPENDENT AUDITOR'S REPORT

Toronto City School District
Jefferson County
1307 Dennis Way
Toronto, Ohio 43964

To the Board of Education:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Toronto City School District, Jefferson 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, the major fund, and the aggregate remaining fund information of the Toronto City School District, Jefferson County, Ohio as of June 30, 2023, and the respective changes in financial position and cash flows, 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 10, 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, Inc.
January 10, 2024

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As management of the Toronto City School District (the School District), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the School District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

- Net position increased in fiscal year 2023 due mainly to an increase in cash and property taxes receivable due to the timing of tax settlement bills. This increase was partially offset by a decrease in capital assets from current year depreciation exceeding current year additions.

- Total program expenses increased in fiscal year 2023 due to a increase in pension and OPEB expenses.

- The School District's major capital asset additions include improvements to the football and track field, outdoor classroom and building improvements to the junior-senior high gymnasium, as well as various additions to equipment.

- The School District actively pursues grants and controls expenses while still maintaining the high academic standards the residents expect of the School District.

Overview of the Financial Statements

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

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

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

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

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

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

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

Proprietary Fund The School District maintains an internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions.

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Table 1 provides a comparison of the School District's Net Position for 2023 compared to 2022.

(Table 1)
Net Position
Governmental Activities

	2023	2022	Change
Assets			
Current and Other Assets	$17,979,446	$17,237,212	$742,234
Net OPEB Asset	774,910	616,033	158,877
Capital Assets, Net	26,024,233	26,402,356	(378,123)
Total Assets	44,778,589	44,255,601	522,988
Deferred Outflows of Resources			
Deferred Charge on Refunding	190,408	198,717	(8,309)
Pension	2,267,784	2,243,233	24,551
OPEB	239,845	282,472	(42,627)
Total Deferred Outflows of Resources	2,698,037	2,724,422	(26,385)
Liabilities			
Current Liabilities	1,482,294	1,590,094	107,800
Long-Term Liabilities			
Due within One Year	186,330	190,588	4,258
Due in More than One Year			
Net Pension Liability	8,563,082	5,016,794	(3,546,288)
Net OPEB Liability	508,922	680,022	171,100
Other Amounts	7,741,742	7,884,645	142,903
Total Liabilities	18,482,370	15,362,143	(3,120,227)
Deferred Inflows of Resources			
Property Taxes	2,734,732	2,835,377	100,645
Pension	758,645	4,045,314	3,286,669
OPEB	1,234,966	1,145,700	(89,266)
Total Deferred Inflows of Resources	4,728,343	8,026,391	3,298,048
Net Position			
Net Investment in Capital Assets	18,830,552	19,055,144	(224,592)
Restricted for:			
Capital Projects	188,488	188,488	0
Debt Service	2,695,868	2,348,598	347,270
OPEB Plans	167,206	27,304	139,902
Other Purposes	702,094	860,327	(158,233)
Unrestricted	1,681,705	1,111,628	570,077
Total Net Position	$24,265,913	$23,591,489	$674,424

The net pension liability (NPL) is one of the largest single liabilities reported by the School District at June 30, 2023. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension 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.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the School District, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by $24,265,913 in fiscal year 2023 and $23,591,489 in fiscal year 2022.

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

Total assets increased due to an increase in cash and property taxes receivable due to the timing of tax settlement bills. This increase was offset by a decrease in capital assets from current year depreciation exceeding current year additions. Total liabilities increased primarily from the increase in net pension liability in fiscal year 2023. The increase in net pension liability is attributable to changes into the pension system valuations. Net position increased due primarily to increases in cash and cash equivalents, net OPEB liability and the deferred inflows associated with the net pension liability.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2023 and 2022.

(Table 2)
Change in Net Position
Governmental Activities

	2023	2022	Change
Revenues			
Program Revenues			
Charges for Services and Sales	$344,870	$475,638	($130,768)
Operating Grants, Contributions and Interest	2,590,722	2,506,926	83,796
Total Program Revenues	2,935,592	2,982,564	(46,972)
General Revenues			
Property Taxes	3,464,138	3,132,789	331,349
Grants and Entitlements not Restricted	6,993,999	6,861,307	132,692
Unrestricted Contributions	12,270	5,750	6,520
Investment Earnings/Interest	229,237	30,069	199,168
Miscellaneous	151,125	2,398	148,727
Total General Revenues	10,850,769	10,032,313	818,456
Total Revenues	13,786,361	13,014,877	771,484
Program Expenses			
Current:			
Instruction:			
Regular	5,776,790	4,996,298	(780,492)
Special	1,629,945	1,606,056	(23,889)
Vocational	94,203	37,734	(56,469)
Support Services:			
Pupils	452,100	418,819	(33,281)
Instructional Staff	115,775	127,990	12,215
Board of Education	12,438	12,097	(341)
Administration	1,434,754	1,101,465	(333,289)
Fiscal	379,288	371,392	(7,896)
Business	87,793	79,476	(8,317)
Operation and Maintenance of Plant	1,311,334	782,010	(529,324)
Pupil Transportation	275,199	264,371	(10,828)
Central	55,096	48,261	(6,835)
Extracurricular Activities	604,169	560,366	(43,803)
Operation of Non-Instructional Services:			
Food Service Operations	518,927	456,450	(62,477)
Other Non-Instructional Services	20,614	20,034	(580)
Interest	343,512	352,037	8,525
Total Program Expenses	13,111,937	11,234,856	(1,877,081)
Change in Net Position	674,424	1,780,021	(1,105,597)
Net Position Beginning of Year	23,591,489	21,811,468	1,780,021
Net Position End of Year	$24,265,913	$23,591,489	$674,424

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although school districts experience inflationary growth in expenses, tax revenue does not keep pace with the increased expenses due to House Bill 920. As an example, a homeowner with a home valued at $100,000 and taxed at 1.0 mill would pay $35.00 annually in taxes. If three years later the home were reappraised and increased to $200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay $35.00 and the School District would collect the same dollar value the levy generated in the year it passed. The 10 percent rollback on all residential/agricultural property and the 2.5 percent rollback on all owner occupied homes would reduce the amount of taxes paid.

Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service.

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

Program revenues decreased for governmental activities in fiscal year 2023. Charges for services and sales decreased due to a decrease in tuition and fees related to open enrollment. General revenues increased in fiscal year 2023 resulting from an increase in investment earnings/interest due to higher cash balances and more favorable rates of return on investments. The increase in miscellaneous for fiscal year 2023 was due to a collection of insurance proceeds.

Instruction composes the most significant portion of governmental program expenses. The increase in program expenses results from an increase in pension expense as well as increases in the majority of support services program expenses.

The *Statement of Activities* shows the cost of program services and charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services for 2023 compared to 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

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

	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	$7,500,938	$5,657,838	$6,640,088	$4,904,909
Support Services:				
Pupils and Instructional Staff	567,875	566,355	546,809	496,289
Board of Education, Administration Fiscal and Business	1,914,273	1,775,443	1,564,430	1,429,063
Operation and Maintenance of Plant	1,311,334	1,077,389	782,010	464,443
Pupil Transportation	275,199	260,888	264,371	253,663
Central	55,096	30,627	48,261	43,495
Extracurricular Activities	604,169	316,643	560,366	336,154
Operation of Non-Instructional Services:				
Food Service Operations	518,927	127,516	456,450	(45,935)
Other Non-Instructional Services	20,614	20,134	20,034	18,174
Interest	343,512	343,512	352,037	352,037
Total Expenses	$13,111,937	$10,176,345	$11,234,856	$8,252,292

The dependence upon general revenues for governmental activities is apparent as they account for a majority of the total cost of services in fiscal year 2023. The community, as a whole, is by far the primary support for the Toronto City School District.

Financial Analysis of the Government's Funds

Governmental Fund Information about the School District's major funds begins with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. The general fund had an increase in fund balance primarily due to revenues continuing to outpace expenditures by over $1.0 million as both the property tax base and seeking out additional sources of revenue are sufficient to funding all of the programs the community desires for the students. The bond retirement fund balance increased from the prior fiscal year due to property tax collections outpacing the debt obligations due in fiscal year 2023.

General Fund Budgeting Highlights

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

During the course of fiscal year 2023 the School District amended its general fund budget numerous times. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, the final budget basis revenue estimate is greater than the original budget estimate. These revenue line items can fluctuate year to year and are budgeted on a conservative basis to try to avoid revenue overestimations. Actual revenue was lower than final budget basis revenue predominantly due to less intergovernmental receipts collected than what was originally anticipated. The final budget appropriations were higher than the original budget appropriations of the general fund and the

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

Capital Assets and Long-term Liabilities

Capital Assets

During fiscal year 2023, the School District's capital asset additions included land improvements to the football and track field, outdoor classroom, building improvements to the junior-senior high gymnasium and various equipment. Please refer to Note 11 within the Notes to the Basic Financial Statements for further information on capital assets.

Debt

On December 20, 2010, the School District issued school facilities and school improvement bonds for the purpose of constructing, furnishing and equipping a new middle/high school building as well as various other improvement to existing school buildings. The bonds include capital appreciation (deep discount) bonds, Build America Term bonds and qualified school construction term bonds. The bonds were issued at a premium. The School District may elect to receive payments directly from the Secretary of the United States Treasury equal to 100 percent of the corresponding interest payable on the qualified school construction term bonds. During fiscal year 2014, the Build America Term bonds were removed from the School District through a refunding debt issuance. The capital appreciation bonds were retired in full in fiscal year 2018. The bonds were originally issued for a thirty-five year period with final maturity now at December 1, 2029. The bonds will be retired from the bond retirement debt service fund.

On June 2, 2014, the School District issued general obligation bonds to refund a portion of the 2010 general obligation classroom facilities and school improvement bonds. The general obligation bonds included serial, term and capital appreciation (deep discount) bonds. The bonds were issued at a premium. The bonds were issued for a thirty-two year period with a final maturity at December 1, 2045. The serial bonds were retired in full during fiscal year 2016. The capital appreciation bonds were originally sold at a discount, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is fiscal year 2031. The serial bonds were retired in full during fiscal year 2016.

In fiscal year 2022, the School District entered into 2 lease agreements for postage machines.

As of June 30, 2023, the School District's overall legal debt margin was $0 with an unvoted debt margin of $105,575. Please refer to Note 17 within the Notes to the Basic Financial Statements for further information on debt.

Current Financial Related Activities

Toronto is a small residential community of approximately 4,800 people along the Ohio River in Eastern Ohio. Its major business is TIMET, a worldwide producer/distributor of titanium sheet metal products. Many of its residents are employed in the area gaming industry at Mountaineer Park and Wheeling Downs as well as Franciscan University of Steubenville, Trinity Health Systems and Walmart Distribution Center. It also has a number of small and medium businesses.

Over the past several years, the School District has remained in a good financial position. The School District passed a 5 mill five-year operating levy. Voters have continued to approve a replacement of the levy. The replacement levy generates $414,642 annually. The last collection on that levy will occur in calendar year 2025. This levy provides a source of funds for the financial operations and stability of the School District. However, future finances are not without challenges as our community changes. Some of these challenges are in the future long term effects of public utility deregulation, as well as the reduction of personal property for business inventory.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Coleen Wickham, Treasurer at Toronto City School District, 1307 Dennis Way, Toronto, Ohio 43964.

Toronto City School District

Statement of Net Position

June 30, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$12,610,735
Cash and Cash Equivalents With Fiscal Agents	1,359,553
Intergovernmental Receivable	333,163
Inventory Held for Resale	2,070
Materials and Supplies Inventory	1,406
Property Taxes Receivable	3,672,519
Net OPEB Asset (Note 15)	774,910
Nondepreciable Capital Assets	121,518
Depreciable Capital Assets, Net	25,902,715
Total Assets	44,778,589
Deferred Outflows of Resources	
Deferred Charge on Refunding	190,408
Pension	2,267,784
OPEB	239,845
Total Deferred Outflows of Resources	2,698,037
Liabilities	
Accounts Payable	14,798
Accrued Wages	748,781
Contracts Payable	8,770
Intergovernmental Payable	332,583
Matured Compensated Absences Payable	16,902
Accrued Interest Payable	26,642
Claims Payable	245,563
Unearned Revenue	88,255
Long-Term Liabilities:	
Due Within One Year	186,330
Due in More Than One Year	
Net Pension Liability (Note 14)	8,563,082
Net OPEB Liability (Note 15)	508,922
Other Amounts	7,741,742
Total Liabilities	18,482,370
Deferred Inflows of Resources	
Property Taxes	2,734,732
Pension	758,645
OPEB	1,234,966
Total Deferred Inflows of Resources	4,728,343
Net Position	
Net Investment in Capital Assets	18,830,552
Restricted for:	
Capital Projects	188,488
Debt Service	2,695,868
OPEB Plans	167,206
Other Purposes	702,094
Unrestricted	1,681,705
Total Net Position	$24,265,913

See accompanying notes to the basic financial statements

Toronto City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2023

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
Governmental Activities				
Instruction:				
Regular	$5,776,790	$15,531	$799,368	($4,961,891)
Special	1,629,945	15,995	1,003,857	(610,093)
Vocational	94,203	0	8,349	(85,854)
Support Services:				
Pupils	452,100	0	1,520	(450,580)
Instructional Staff	115,775	0	0	(115,775)
Board of Education	12,438	0	0	(12,438)
Administration	1,434,754	0	57,470	(1,377,284)
Fiscal	379,288	0	826	(378,462)
Business	87,793	80,534	0	(7,259)
Operation and Maintenance of Plant	1,311,334	0	233,945	(1,077,389)
Pupil Transportation	275,199	0	14,311	(260,888)
Central	55,096	0	24,469	(30,627)
Extracurricular Activities	604,169	211,024	76,502	(316,643)
Operation of Non-Instructional Services:				
Food Service Operations	518,927	21,786	369,625	(127,516)
Other Non-Instructional Services	20,614	0	480	(20,134)
Interest	343,512	0	0	(343,512)
Totals	$13,111,937	$344,870	$2,590,722	(10,176,345)

General Revenues	
Property Taxes Levied for:	
General Purposes	2,675,691
Debt Service	746,222
Classroom Facilities	42,225
Grants and Entitlements not Restricted to Specific Programs	6,993,999
Unrestricted Contributions	12,270
Investment Earnings/Interest	229,237
Miscellaneous	151,125
Total General Revenues	10,850,769
Change in Net Position	674,424
Net Position Beginning of Year	23,591,489
Net Position End of Year	$24,265,913

See accompanying notes to the basic financial statements

Toronto City School District
Balance Sheet
Governmental Funds
June 30, 2023

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$8,891,397	$2,588,239	$1,131,099	$12,610,735
Property Taxes Receivable	2,824,282	803,602	44,635	3,672,519
Intergovernmental Receivable	4,801	0	328,362	333,163
Interfund Receivable	136,920	0	0	136,920
Inventory Held for Resale	0	0	2,070	2,070
Materials and Supplies Inventory	0	0	1,406	1,406
Total Assets	$11,857,400	$3,391,841	$1,507,572	$16,756,813
Liabilities				
Accounts Payable	$3,967	$0	$10,831	$14,798
Accrued Wages	625,338	0	123,443	748,781
Contracts Payable	8,770	0	0	8,770
Intergovernmental Payable	319,383	0	13,200	332,583
Interfund Payable	0	0	136,920	136,920
Matured Compensated Absences Payable	16,902	0	0	16,902
Unearned Revenue	0	0	88,255	88,255
Total Liabilities	974,360	0	372,649	1,347,009
Deferred Inflows of Resources				
Property Taxes	2,068,878	631,839	34,015	2,734,732
Unavailable Revenue	562,334	113,513	7,468	683,315
Total Deferred Inflows of Resources	2,631,212	745,352	41,483	3,418,047
Fund Balances				
Nonspendable	0	0	1,406	1,406
Restricted	0	2,646,489	886,525	3,533,014
Committed	186,642	0	0	186,642
Assigned	8,065,186	0	212,981	8,278,167
Unassigned (Deficit)	0	0	(7,472)	(7,472)
Total Fund Balances	8,251,828	2,646,489	1,093,440	11,991,757
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$11,857,400	$3,391,841	$1,507,572	$16,756,813

See accompanying notes to the basic financial statements

Toronto City School District

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2023

Total Governmental Funds Balances		$11,991,757
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		26,024,233
Other long-term assets, such as delinquent property taxes, are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.		683,315
The net pension liability and net OPEB asset (liability) are not due and payable in the current period; therefore, the asset (liability) and related deferred inflows/outflows are not reported in governmental funds:		
Net OPEB Asset	774,910	
Deferred Outflows - Pension	2,267,784	
Deferred Outflows - OPEB	239,845	
Net Pension Liability	(8,563,082)	
Net OPEB Liability	(508,922)	
Deferred Inflows - Pension	(758,645)	
Deferred Inflows - OPEB	(1,234,966)	
Total		(7,783,076)
The 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 in the statement of net position.		1,113,990
In the statement of activities, interest is accrued on outstanding general obligation bonds, whereas in governmental funds, an interest expenditure is reported when due.		(26,642)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(7,559,653)	
Leases	(2,733)	
Compensated Absences	(365,686)	
Total		(7,928,072)
Deferred outflows of resources represent the deferred charge on refundings which are not reported in the funds.		190,408
Net Position of Governmental Activities		$24,265,913

See accompanying notes to the basic financial statements

Toronto City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	$2,402,716	$691,119	$38,599	$3,132,434
Intergovernmental	7,378,862	89,161	2,040,196	9,508,219
Investment Earnings/Interest	202,606	0	20	202,626
Charges for Services	0	0	21,786	21,786
Tuition and Fees	15,531	0	15,995	31,526
Extracurricular Activities	80,534	0	211,024	291,558
Contributions and Donations	12,270	0	76,502	88,772
Miscellaneous	151,125	0	0	151,125
Total Revenues	10,243,644	780,280	2,404,122	13,428,046
Expenditures				
Current:				
Instruction:				
Regular	4,160,135	0	316,255	4,476,390
Special	946,428	0	580,924	1,527,352
Vocational	94,203	0	0	94,203
Support Services:				
Pupils	321,707	0	116,307	438,014
Instructional Staff	99,941	0	0	99,941
Board of Education	12,438	0	0	12,438
Administration	1,244,507	0	120,745	1,365,252
Fiscal	352,077	15,141	826	368,044
Business	87,193	0	0	87,193
Operation and Maintenance of Plant	1,238,989	0	260,077	1,499,066
Pupil Transportation	243,539	0	0	243,539
Central	50,614	0	8,375	58,989
Extracurricular Activities	277,510	0	227,881	505,391
Operation of Non-Instructional Services:				
Food Service Operations	0	0	493,084	493,084
Other Non-Instructional Services	2,300	0	3,639	5,939
Capital Outlay	13,277	0	482,003	495,280
Debt Service:				
Principal Retirement	1,327	155,000	0	156,327
Interest	72	325,125	0	325,197
Total Expenditures	9,146,257	495,266	2,610,116	12,251,639
Excess of Revenues Over (Under) Expenditures	1,097,387	285,014	(205,994)	1,176,407
Other Financing Sources (Uses)				
Transfers In	0	0	30,000	30,000
Transfers Out	(30,000)	0	0	(30,000)
Total Other Financing Sources (Uses)	(30,000)	0	30,000	0
Net Change in Fund Balances	1,067,387	285,014	(175,994)	1,176,407
Fund Balances Beginning of Year	7,184,441	2,361,475	1,269,434	10,815,350
Fund Balances End of Year	$8,251,828	$2,646,489	$1,093,440	$11,991,757

See accompanying notes to the basic financial statements

Toronto City School District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds		$1,176,407
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. This is the amount by which depreciation/amortization exceeded capital outlay in the current period:		
Capital Asset Additions	871,184	
Current Year Depreciation/Amortization	(1,201,085)	
Total		(329,901)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(48,222)
Some revenues, such as delinquent property taxes, reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		331,704
Repayment of bond principal and lease payments are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		156,327
Some expenses reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Accrued Interest	904	
Amortization of Accretion	(22,672)	
Amortization of Bond Premium	11,762	
Amortization of Deferred Charge on Refunding	(8,309)	
Total		(18,315)
Some expenses, such as compensated absences, reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		1,744
The internal service funds used by management to charge the costs of insurance to individual funds are not reported in the district wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.		(558,336)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	759,235	
OPEB	26,068	
Total		785,303
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB asset/liability are reported as pension/OPEB expense in the statement of activities:		
Pension	(994,303)	
OPEB	172,016	
Total		(822,287)
Change in Net Position of Governmental Activities		$674,424

See accompanying notes to the basic financial statements

Toronto City School District

Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Property Taxes	$1,955,828	$2,336,618	$2,336,618	$0
Intergovernmental	7,197,359	8,466,744	7,390,009	(1,076,735)
Interest	372,194	202,606	202,606	0
Tuition and Fees	13,000	15,531	15,531	0
Contributions and Donations	20,392	12,415	12,415	0
Miscellaneous	81,734	81,734	81,734	0
Total Revenues	9,640,507	11,115,648	10,038,913	(1,076,735)
Expenditures				
Current:				
Instruction:				
Regular	5,891,748	6,393,370	4,558,319	1,835,051
Special	2,562,343	2,780,500	1,085,250	1,695,250
Vocational	185,743	201,557	94,203	107,354
Support Services:				
Pupils	736,184	798,863	413,860	385,003
Instructional Staff	192,902	209,326	103,247	106,079
Board of Education	26,457	28,710	12,438	16,272
Administration	2,473,273	2,683,847	1,288,196	1,395,651
Fiscal	711,345	771,909	352,767	419,142
Business	3,818	4,143	2,043	2,100
Operation and Maintenance of Plant	2,936,966	3,187,019	1,314,238	1,872,781
Pupil Transportation	648,036	703,210	248,922	454,288
Central	102,847	111,603	51,665	59,938
Extracurricular Activities	741,856	805,017	294,429	510,588
Operation of Non-Instructional Services:				
Other Non-Instructional Services	14,665	15,913	2,300	13,613
Capital Outlay	97,920	106,257	13,277	92,980
Total Expenditures	17,326,103	18,801,244	9,835,154	8,966,090
Excess of Revenues Over (Under) Expenditures	(7,685,596)	(7,685,596)	203,759	7,889,355
Other Financing Sources (Uses)				
Transfers Out	(31,650)	(31,650)	(30,000)	1,650
Net Change in Fund Balance	(7,717,246)	(7,717,246)	173,759	7,891,005
Fund Balance Beginning of Year	7,717,246	7,717,246	7,717,246	0
Prior Year Encumbrances Appropriated	423,596	423,596	423,596	0
Fund Balance End of Year	$423,596	$423,596	$8,314,601	$7,891,005

See accompanying notes to the basic financial statements

Toronto City School District

Statement of Fund Net Position

Internal Service Fund

June 30, 2023

	Self Insurance
Assets	
Cash and Cash Equivalents with Fiscal Agents	$1,359,553
Liabilities	
Claims Payable	245,563
Net Position	
Unrestricted	$1,113,990

See accompanying notes to the basic financial statements

Toronto City School District

Statement of Revenues,
Expenses and Changes in Fund Net Position
Internal Service Fund
For the Fiscal Year Ended June 30, 2023

	Self Insurance
Operating Revenues	
Charges for Services	$1,729,573
Operating Expenses	
Purchased Services	72,653
Claims	2,241,867
Total Operating Expenses	2,314,520
Operating Income (Loss)	(584,947)
Non-Operating Revenues (Expenses)	
Investment Earnings/Interest	26,611
Net Change in Net Position	(558,336)
Net Position Beginning of Year	1,672,326
Net Position End of Year	$1,113,990

See accompanying notes to the basic financial statements

Toronto City School District
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2023

	Self Insurance
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	$1,729,573
Cash Payments for Services	(72,653)
Cash Payments for Claims	(2,206,677)
Net Cash Provided by (Used for) Operating Activities	(549,757)
Cash Flows from Investing Activities	
Investment Earnings/Interest	26,611
Net Increase (Decrease) in Cash and Cash Equivalents	(523,146)
Cash and Cash Equivalents Beginning of Year	1,882,699
Cash and Cash Equivalents End of Year	$1,359,553
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Income (Loss)	($584,947)
Adjustments:	
Increase (Decrease) in Liabilities:	
Claims Payable	35,190
Net Cash Provided by (Used for) Operating Activities	($549,757)

See accompanying notes to the basic financial statements

Toronto City School District

Statement of Fiduciary Net Position
Private Purpose Trust Fund
June 30, 2023

	Scholarship
Assets	
Equity in Pooled Cash and Cash Equivalents	$22,547
Liabilities	0
Net Position	
Held in Trust for Scholarships	$22,547

See accompanying notes to the basic financial statements

Toronto City School District

Statement of Changes in Fiduciary Net Position

Private Purpose Trust Fund

For the Fiscal Year Ended June 30, 2023

	Scholarship
Additions	
Interest	$209
Deductions	0
Change in Net Position	209
Net Position Beginning of Year	22,338
Net Position End of Year	$22,547

See accompanying notes to the basic financial statements

Note 1 – Description of the School District and Reporting Entity

Toronto City School District (the School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District is a city school district as defined by 3311.22 of the Ohio Revised Code.

The School District operates under a locally-elected five member Board form of government and provides educational services to residents of the School District. The Board oversees the operations of the School District's two instructional/support facilities staffed by the 37 non-certified and 68 certified full-time teaching personnel who provide services to 930 students and other community members.

Reporting Entity

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

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

The School District is associated with two jointly governed organizations, two insurance purchasing pools and one risk sharing pool. These organizations are the Ohio Mid-Eastern Regional Education Service Agency, Jefferson County Joint Vocational School, the Ohio School Boards Association Workers' Compensation Group Retrospective Rating Program, the Jefferson Health Plan and the Schools of Ohio Risk Sharing Authority. These organizations are presented in Notes 18 and 19 of the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

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

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

Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. 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 and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the School District's major governmental funds:

> ***General Fund*** The general fund is the operating fund of the School District and is used to account for and report all financial resources except those required to be accounted for and reported in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> ***Bond Retirement Fund*** The bond retirement debt service fund accounts for and reports tax levies that are restricted for the repayment of general obligation bonds of the School District.

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

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The School District only has an internal service fund.

> ***Internal Service Fund*** This fund is used to account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost-reimbursement basis. The School District's only internal service fund is a self-insurance fund that accounts for the operation of the School District's self-insurance program for employee medical, vision, prescription drug and dental claims.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District's only fiduciary fund is a private purpose trust which accounts for a college scholarship program for students.

Measurement Focus

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

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

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

For proprietary funds, the statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its internal service fund.

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

Basis of Accounting

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 8). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for the deferred charges on refundings, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to asset retirement obligations is originally measured at the amount of the corresponding liability. This amount is expensed in a systematic and rational manner over the tangible asset's useful life. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 14 and 15.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB plans and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements.

Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 14 and 15)

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

Pensions/Other Postemployment Benefits (OPEB)

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

Budgetary Data

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. The Treasurer has been given the authority to allocate appropriations to the function and object level within each fund.

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

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

Cash and Cash Equivalents

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

The School District utilizes a financial institution to service self-insurance payments as they come due. The balances in these accounts are presented in the statements as “cash and cash equivalents with fiscal agents.”

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment Earnings/Interest revenue credited to the general fund during 2023 amounted to $202,606 which includes $59,741 assigned from other School District funds.

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

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

For the fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of $100 million or more is appreciated. STAR Ohio reserves the right to limit the transactions to $250 million per day.

Inventory

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

Capital Assets

The School District’s only capital assets are general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets (except for intangible right-to-use lease assets which are discussed below) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of capital assets by backtrending (i.e., estimating the current replacement cost of the capital asset to be capitalized and using an appropriate price-level index to deflate the cost of the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets, except land are depreciated**.** Improvements are depreciated 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
Land Improvements	15 to 30 years
Buildings and Building Improvements	30 to 50 years
Furniture, Fixtures and Equipment	5 to 20 years
Vehicles	5 to 15 years
Intangible Right to Use Lease	5 years

The School District is reporting intangible right to use assets related to lease assets. The lease assets include equipment and represent nonfinancial assets which are being utilized for a period of time through leases from another entity. These intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Leases Payable

The School District serves as a lessee in two noncancellable leases which are accounted for as follows:

> ***Lessee*** At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Deferred Charge on Refunding

The difference between the reacquisition price (funds required to refund the old debt) of various refunding bonds and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense. This accounting loss is amortized over the remaining life of the old debt or the life of the new debt whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

Bond Premiums

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On the fund financial statements, bond premiums are receipted in the year the bonds are issued. 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.

Interfund Balances

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

Compensated Absences

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

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

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund or funds from which the employees who have accumulated the leave are paid.

Accrued Liabilities and Long-Term Obligations

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

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws, or regulations of other governments adopted by the School District. Restricted net position for OPEB plans represents the corresponding restricted asset amounts after considering the related deferred outflows and deferred inflows. Net position restricted for other purposes include resources restricted for education management information systems, entry-year programs, school-net professional development and miscellaneous state and federal grant programs.

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

Fund Balance

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education or a School District official delegated that authority by resolution or State statute. State statute authorizes the Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Board of Education assigned fund balance for school support and to cover a gap between estimated revenue and appropriations in fiscal year 2024's budget.

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

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

Internal Activity

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

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as nonoperating.

Estimates

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

Unearned Revenue

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 yet been met because the amounts have not yet been earned. The School District recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

Note 3 – Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

3. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but which are reported on the operating statements prepared using GAAP.

4. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).

5. Budgetary revenues and expenditures of the public school support fund are classified to the general fund for GAAP reporting purposes.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements on a fund type basis for the general fund.

Net Change in Fund Balance	
GAAP Basis	$1,067,387
Net Adjustment for Revenue Accruals	(89,978)
Beginning Unrecorded Cash	(33,764)
Perspective Difference:	
Public School Support	5,762
Net Adjustment for Expenditure Accruals	(122,509)
Adjustment for Encumbrances	(653,139)
Budget Basis	$173,759

Note 4 – Fund Balances

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

Fund Balances	General	Bond Retirement	Other Governmental Funds	Total
Nonspendable				
Materials and Supplies Inventory	$0	$0	$1,406	$1,406
Restricted for				
Food Service	0	0	4,614	4,614
Scholarships	0	0	43,155	43,155
Student Activities	0	0	49,285	49,285
Athletics	0	0	146,815	146,815
Classroom Facilities Maintenance	0	0	387,777	387,777
Technology Improvements	0	0	20,000	20,000
Preschool	0	0	46,391	46,391
Debt Service Payments	0	2,646,489	0	2,646,489
Capital Improvements	0	0	188,488	188,488
Total Restricted	0	2,646,489	886,525	3,533,014
Committed to				
Athletic Facilities	113,538	0	0	113,538
Lawn Care	29,455	0	0	29,455
Educational Services	43,649	0	0	43,649
Total Committed	186,642	0	0	186,642
Assigned to				
Capital Improvements	0	0	212,981	212,981
School Support	59,577	0	0	59,577
Fiscal Year 2024 Operations	7,540,433	0	0	7,540,433
Purchases on Order:				
Instruction	394,207	0	0	394,207
Support Services	70,969	0	0	70,969
Total Assigned	8,065,186	0	212,981	8,278,167
Unassigned (Deficit)	0	0	(7,472)	(7,472)
Total Fund Balances	$8,251,828	$2,646,489	$1,093,440	$11,991,757

Note 5 – Accountability

At June 30, 2023, the following funds have deficit balances:

Special Revenue Funds:	
Student Wellness	$7,282
Drug Free Grant	190

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

Note 6 – Deposits and Investments

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

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

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

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

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

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

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

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

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

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

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

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

7. The State Treasurer's investment pool (STAR Ohio).

8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments

As of June 30, 2023, the School District had STAR Ohio as an investment. STAR Ohio is being held with an amount of $5,287,306 which is valued at net asset value per share. The average maturity is 38.5 days.

Note 7 – Receivables

Receivables at June 30, 2023, consisted of taxes, accounts and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current fiscal year guarantee of federal funds. All receivables, except for property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
ESSER Grant	$158,735
Title I Grant	65,369
Early Childhood Education Grant	43,086
Title IV-B Grant	40,400
Drug Free Schools	12,690
Miscellaneous Federal Grants	8,082
Medicaid Reimbursements	4,801
Total	$333,163

Note 8 – Property Taxes

Property taxes are levied and assessed on a calendar year basis while the School District's fiscal year runs from July through June. First half tax collections are received by the School 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 located in the School District. Real property tax revenues received in calendar year 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, the lien date. Assessed values for real property are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2023 represents collections of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 become a lien December 31, 2021, were levied after April 1, 2022, and are collected in calendar year 2023 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Jefferson County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 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 were levied to finance current fiscal year operations are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The amount available as an advance at June 30, 2023, was $193,070 in the general fund, $3,152 in the classroom facilities special revenue fund and $58,250 in the bond retirement debt service fund. The amount available as an advance at June 30, 2022, was $126,972 in the general fund, $2,484 in the classroom facilities special revenue fund and $64,900 in the bond retirement debt service fund.

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/Residental and Other Real Estate	$78,231,010	74.06 %	$78,270,230	74.14 %
Public Utility Personal	27,400,230	25.94	27,304,830	25.86
Total	$105,631,240	100.00 %	$105,575,060	100.00 %
Tax rate per $1,000 of assessed valuation	$45.75		$45.75	

Note 9 – Interfund Balances

Interfund Payable	Interfund Receivable General
Other Governmental Funds:	
Public School Preschool	$20,365
ESSER	65,812
Title VI-B	15,077
Title I	22,786
Drug Free Schools	12,880
Total	$136,920

Interfund receivables and payables at June 30, 2023, are due to the timing of the receipt of grant monies and monies collected for some programs received by various funds. The general fund provides money to operate the programs until grants and other monies are received and the advances can be repaid. These loans are expected to be repaid in one year.

Note 10 – Other Employee Benefits

Compensated Absences

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

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 260 days for certified personnel and 265 days for classified personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 55 days for certified employees and 57 days for classified employees.

Note 11 – Capital Assets

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

Governmental Activities	Balance 06/30/22	Additions	Deductions	Balance 06/30/23
Capital Assets not being Depreciated:				
Land	$121,518	$0	$0	$121,518
Capital Assets being Depreciated:				
Land Improvements	5,617,471	679,189	0	6,296,660
Buildings and Building Improvements	26,338,921	115,618	0	26,454,539
Furniture, Fixtures and Equipment	1,234,894	76,377	(99,925)	1,211,346
Vehicles	603,365	0	0	603,365
Intangible Right to Use Lease - Equipment **	6,640	0	0	6,640
Total Capital Assets being Depreciated	33,801,291	871,184	(99,925)	34,572,550
Less Accumulated Depreciation/Amortization:				
Land Improvements	(1,695,229)	(283,326)	0	(1,978,555)
Buildings and Building Improvements	(4,924,460)	(762,476)	0	(5,686,936)
Furniture, Fixtures and Equipment	(467,702)	(111,224)	51,703	(527,223)
Vehicles	(430,420)	(42,731)	0	(473,151)
Intangible Right to Use Lease - Equipment **	(2,642)	(1,328)	0	(3,970)
Total Accumulated Depreciation/Amortization	(7,520,453)	(1,201,085) *	51,703	(8,669,835)
Total Assets being Depreciated, Net	26,280,838	(329,901)	(48,222)	25,902,715
Governmental Activities Capital Assets, Net	$26,402,356	($329,901)	($48,222)	$26,024,233

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

Instruction:	
Regular	$931,067
Special	1,930
Support Services:	
Instructional Staff	2,159
Administration	12,554
Business	600
Operation and Maintenance of Plant	136,158
Pupil Transportation	39,722
Central	224
Other Non-Instructional Services	14,675
Extracurricular Activities	61,996
Total Depreciation/Amortization Expense	$1,201,085

** Of the current year depreciation/amortization total of $1,201,085, $1,328 is presented as administrative expenses on the Statement of Activities related to the School District's intangible asset of 2 postage machines, which are included as an Intangible Right to Use Lease.

Note 12 – Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023, the School District contracted with Schools of Ohio Risk Sharing Authority (SORSA) for various types of insurance. Coverage is as follows:

Coverage	Deductible	Liability Limit
Building and Business Personal Property	$1,000	*
* All SORSA Members covered up to $350,000,000		
Limit including extensions of coverage		
Earthquake	50,000	$2,000,000
Flood Limit	50,000	2,000,000
Equipment Breakdown	1,000	300,000,000
CFC Refrigerants	1,000	250,000
Hazardous Substance	1,000	250,000
Spoilage	1,000	250,000
Expediting expenses	1,000	250,000
Crime Coverage		
Employee Dishonesty	1,000	100,000
Forgery or Alteration	1,000	100,000
Computer Fraud	1,000	100,000
Theft, Disappearance and Destruction	1,000	100,000
General Liability		
Bodily Injury		15,000,000
Personal Injury		15,000,000
Products/Completed Operations		15,000,000
Employers Stop Gap Liability		
Bodily Injury by accident - each accident		15,000,000
Bodily Injury by disease - policy limit		15,000,000
Bodily Injury by disease - each employee		15,000,000
Aggregate Limit		15,000,000
General Annual Aggregate		17,000,000
Fire Legal Liability		500,000
Medical Payments Occurrence/Aggregate		10,000/25,000
Educator's Legal Liability		
Wrongful Acts Coverage	2,500	
Per occurrence		15,000,000
Aggregate		15,000,000
Employee Benefits Liability		15,000,000
Automobile Liability		
Bodily injury & property damages per occur		15,000,000
Medical payments		10,000/25,000
Uninsured/underinsured motorist		100,000/1,000,000
Automobile Physical Damage	250	Actual Cash Value

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

Worker's Compensation

For fiscal year 2023, the School District participated in the Ohio School Boards Association Workers' Compensation Group Retrospective Rating Program (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

Employee Insurance Benefits

The School District offers medical, surgical, and dental insurance to employees through a self-insurance internal service fund. The School District's monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. The claims liability of $245,563 reported in the internal service funds at June 30, 2023, is estimated by and based on the requirements of the Governmental Accounting Standards Board Statement No. 30 which required that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the funds' claims liability amounts for 2022 and 2023 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2022	$132,995	$1,841,844	($1,764,466)	$210,373
2023	210,373	2,241,867	(2,206,677)	245,563

Note 13 – Contingencies

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2023, if applicable, cannot be determined at this time.

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, all ODE adjustments for fiscal year 2023 have been finalized.

Litigation

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

Note 14 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 15 for the required OPEB disclosures.

School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

The School District's contractually required contribution to SERS was $201,559 for fiscal year 2023. Of this amount $67,118 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. 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 their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

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

The School District's contractually required contribution to STRS was $557,676 for fiscal year 2023. Of this amount $149,713 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.03531800%	0.02992700%	
Prior Measurement Date	0.03471910%	0.02921780%	
Change in Proportionate Share	0.00059890%	0.00070920%	
Proportionate Share of the Net Pension Liability	$1,910,273	$6,652,809	$8,563,082
Pension Expense	$173,430	$820,873	$994,303

At June 30, 2023, the School 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	$77,368	$85,164	$162,532
Changes of assumptions	18,849	796,142	814,991
Net difference between projected and actual earnings on pension plan investments	0	231,503	231,503
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	68,387	231,136	299,523
School District contributions subsequent to the measurement date	201,559	557,676	759,235
Total Deferred Outflows of Resources	$366,163	$1,901,621	$2,267,784
Deferred Inflows of Resources			
Differences between expected and actual experience	$12,541	$25,449	$37,990
Changes of assumptions	0	599,266	599,266
Net difference between projected and actual earnings on pension plan investments	66,660	0	66,660
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	0	54,729	54,729
Total Deferred Inflows of Resources	$79,201	$679,444	$758,645

$759,235 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 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	$65,461	$53,874	$119,335
2025	4,389	40,767	45,156
2026	(95,224)	(104,843)	(200,067)
2027	110,777	674,703	785,480
Total	$85,403	$664,501	$749,904

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:

	June 30, 2022
Inflation	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

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

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

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

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

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00 percent, 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 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$2,811,829	$1,910,273	$1,150,722

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2022
Inflation	2.50 percent
Salary increases	From 2.5 percent to 12.5 percent based on age
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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

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

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

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

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

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

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

30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$10,049,974	$6,652,809	$3,779,861

Note 15 – Defined Benefit OPEB Plans

See Note 14 for a description of the net OPEB liability (asset).

School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the School District's surcharge obligation was $26,068.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was $26,068 for fiscal year 2023. Of this amount $26,068 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

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

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

The net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.03624760%	0.02992700%	
Prior Measurement Date	0.03593090%	0.02921780%	
Change in Proportionate Share	0.00031670%	0.00070920%	
Proportionate Share of the:			
Net OPEB Liability	$508,922	$0	$508,922
Net OPEB (Asset)	$0	($774,910)	($774,910)
OPEB Expense	($32,114)	($139,902)	($172,016)

At June 30, 2023, the School 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	$4,278	$11,233	$15,511
Changes of assumptions	80,951	33,009	113,960
Net difference between projected and actual earnings on OPEB plan investments	2,645	13,489	16,134
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	63,759	4,413	68,172
School District contributions subsequent to the measurement date	26,068	0	26,068
Total Deferred Outflows of Resources	$177,701	$62,144	$239,845
Deferred Inflows of Resources			
Differences between expected and actual experience	$325,543	$116,377	$441,920
Changes of assumptions	208,915	549,485	758,400
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	30,660	3,986	34,646
Total Deferred Inflows of Resources	$565,118	$669,848	$1,234,966

$26,068 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase to the net OPEB asset in the fiscal year ending June 30, 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	($99,704)	($177,989)	($277,693)
2025	(97,575)	(174,077)	(271,652)
2026	(81,163)	(83,837)	(165,000)
2027	(44,950)	(34,656)	(79,606)
2028	(30,750)	(45,268)	(76,018)
Thereafter	(59,343)	(91,877)	(151,220)
Total	($413,485)	($607,704)	($1,021,189)

Actuarial Assumptions – SERS

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

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

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

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

	June 30, 2022
Inflation	2.40 percent
Future Salary Increases, including inflation	
Wage Increases	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Fiduciary Net Position is Projected to be Depleted	2044
Municipal Bond Index Rate:	
Measurement Date	3.69 percent
Prior Measurement Date	1.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	4.08 percent
Prior Measurement Date	2.27 percent
Health Care Cost Trend Rate	
Medicare	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent
Medical Trend Assumption	7.00 to 4.40 percent

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

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

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

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 14.

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

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

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
School District's proportionate share of the net OPEB liability	$632,086	$508,922	$409,491

	1% Decrease (6.00 % decreasing to 3.40%)	Current Trend Rate (7.00 % decreasing to 4.40%)	1% Increase (8.00 % decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	$392,469	$508,922	$661,024

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by age from 2.5 percent to 12.50 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 3.94 percent ultimate	5.00 percent initial 4 percent ultimate
Medicare	-68.78 percent initial 3.94 percent ultimate	-16.18 percent initial 4 percent ultimate
Prescription Drug		
Pre-Medicare	9.00 percent initial 3.94 percent ultimate	6.50 percent initial 4 percent ultimate
Medicare	-5.47 percent initial 3.94 percent ultimate	29.98 percent initial 4 percent ultimate

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

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

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

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

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 14.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB (asset)	($716,384)	($774,910)	($825,042)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB (asset)	($803,770)	($774,910)	($738,481)

Note 16 – Set-Asides

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future years.

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

	Capital Improvement
Set-aside Balance as of June 30, 2022	$0
Current Year Set-aside Requirement	173,048
Offsets During the Fiscal Year:	
Permanent Improvement Levy Proceeds	(1,057,867)
Totals	($884,819)
Set-aside Balance Carried Forward to Future Fiscal Years	$0
Set-aside Balance as of June 30, 2023	$0

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

Note 17 – Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue	Fiscal Year of Maturity
2010 Classroom Facilities and School Improvement Bonds:			
Qualified School Construction Bonds			
Current Interest Term Bonds	7.00%	$1,750,000	2029
2014 Classroom Facilities and School Improvement Refunding Bonds:			
Current Interest Term Bonds	4.00%	6,050,000	2046
Capital Appreciation Bonds	1.25% to 2.15%	95,000	2031

The changes in the School District's long-term obligations during the year consist of the following:

	Principal Outstanding 6/30/22	Additions	Deductions	Principal Outstanding 6/30/23	Amounts Due in One Year
Governmental Activities					
General Obligation Bonds:					
2010 Classroom Facilities and School Improvement Bonds					
Term Bonds	$1,265,000	$0	$155,000	$1,110,000	$160,000
Premium on Bonds	43,741	0	6,249	37,492	0
Total Classroom Facilities and School Improvement Bonds	1,308,741	0	161,249	1,147,492	160,000
2014 Classroom Facilities and School Improvement Refunding Bonds					
Term Bonds	6,050,000	0	0	6,050,000	0
Capital Appreciation Bonds	95,000	0	0	95,000	0
Accretion	118,133	22,672	0	140,805	0
Premium on Bonds	131,869	0	5,513	126,356	0
Total Classroom Facilities and School Improvement Refunding Bonds	6,395,002	22,672	5,513	6,412,161	0
Total General Obligation Bonds	7,703,743	22,672	166,762	7,559,653	160,000
Other Long Term Obligations					
Net Pension Liability:					
STRS	3,735,759	2,917,050	0	6,652,809	0
SERS	1,281,035	629,238	0	1,910,273	0
Total Net Pension Liability	5,016,794	3,546,288	0	8,563,082	0
Net OPEB Liability:					
SERS	680,022	0	171,100	508,922	0
Compensated Absences	367,430	32,517	34,261	365,686	25,149
Leases Payable	4,060	0	1,327	2,733	1,181
Total Other Long Term Obligations	6,068,306	3,578,805	206,688	9,440,423	26,330
Total General Long-Term Obligations	$13,772,049	$3,601,477	$373,450	$17,000,076	$186,330

Compensated absences will be paid from the general fund and the food service, public school preschool, ESSER, title VI-B and title I special revenue funds. There are no repayment schedules for the net pension liability and net OPEB liability. However, employer pension and OPEB contributions are made from following funds: the general fund and the food service, public school preschool, title VI-B, title I and title II-A special revenue funds. For additional information related to the net pension and net OPEB liabilities see Notes 14 and 15. The leases payable will be paid from the general fund.

On December 20, 2010, the School District issued $8,199,996 in school facilities and school improvement bonds for the purpose of constructing, furnishing and equipping a new middle/high school building as well as various other improvement to existing school buildings. The bonds include capital appreciation (deep discount) bonds, Build America Term bonds and qualified school construction term bonds in the amounts of $249,996, $6,200,000 and $1,750,000, respectively. The bonds were issued at a premium of $452,810. The School District may elect to receive payments directly from the Secretary of the United States Treasury equal to 100 percent of the corresponding interest payable on the qualified school construction term bonds. During fiscal year 2014, the Build America Term bonds were removed from the School District through a refunding debt issuance. The capital appreciation bonds were retired in full in fiscal year 2018. The bonds were originally issued for a thirty-five year period with final maturity now at December 1, 2029. The bonds will be retired from the bond retirement debt service fund.

The qualified school construction term bonds maturing on December 1, 2028 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Issue $1,750,000
2024	$160,000
2025	160,000
2026	185,000
2027	190,000
2028	205,000
Total Mandatory Sinking Fund Payments	900,000
Amount Due at Stated Maturity	210,000
Total	$1,110,000
Stated Maturity	12/1/2028

On June 2, 2014, the School District issued $6,200,000 in general obligation bonds to refund a portion of the 2010 general obligation classroom facilities and school improvement bonds. The general obligation bonds included serial, term and capital appreciation (deep discount) bonds in the amount of $55,000, $6,050,000 and $95,000, respectively. The bonds were issued at a premium of $176,438. The bonds were issued for a thirty-two year period with a final maturity at December 1, 2045. The serial bonds were retired in full during fiscal year 2016.

The capital appreciation bonds were originally sold at a discount of $380,000, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is fiscal year 2031.

The maturity amount of outstanding capital appreciation bonds is $475,000. The accretion recorded for fiscal year 2023 was $22,672, for a total outstanding bond liability of $235,805.

The term bonds matures on December 1, 2032, 2034, 2037, 2040, 2043, 2045 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

	Issue					
Year	$515,000	$565,000	$1,065,000	$1,295,000	$1,525,000	$1,085,000
2031	$255,000	$0	$0	$0	$0	$0
2033	0	275,000	0	0	0	0
2035	0	0	325,000	0	0	0
2036	0	0	345,000	0	0	0
2038	0	0	0	410,000	0	0
2039	0	0	0	430,000	0	0
2041	0	0	0	0	475,000	0
2042	0	0	0	0	495,000	0
2044	0	0	0	0	0	575,000
Total mandatory sinking sinking fund payment	$255,000	$275,000	$670,000	$840,000	$970,000	$575,000
Amount due at stated maturity	260,000	290,000	395,000	455,000	555,000	510,000
Total	$515,000	$565,000	$1,065,000	$1,295,000	$1,525,000	$1,085,000
Stated Maturity	12/1/2032	12/1/2034	12/1/2037	12/1/2040	12/1/2043	12/1/2045

The School District's overall legal debt margin was $0 with an unvoted debt margin of $105,575 at June 30, 2023. The School District has been designated an “approved special needs School District” by the Ohio Superintendent of Public Instruction. As a result, any debt of the School District authorized by the School District’s voters at the election held on November 2, 2010, in excess of the 9 percent limitation is exempted from that limitation pursuant to Ohio Revised Code Section 133.06(D)(2).

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2023, are as follows:

	General Obligation Bonds				
	Capital Appreciation		Term		
Fiscal Year	Principal	Interest	Principal	Interest	Subsidy
2024	$0	$0	$160,000	$314,100	($53,814)
2025	0	0	160,000	302,900	(45,454)
2026	0	0	185,000	290,825	(36,442)
2027	0	0	190,000	277,700	(26,646)
2028	0	0	205,000	263,875	(16,327)
2029 - 2033	95,000	380,000	725,000	1,196,850	(5,486)
2034 - 2038	0	0	1,630,000	955,800	0
2039 - 2043	0	0	2,265,000	563,100	0
2044 - 2046	0	0	1,640,000	96,600	0
Total	$95,000	$380,000	$7,160,000	$4,261,750	($184,169)

Lease Payable - The School District has outstanding agreements to lease 2 postage meters. The future lease payments were discounted based on the interest rate implicit in the lease or using the School District's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. A summary of the principal and interest amounts for the remaining leases is as follows:

	Principal	Interest
2024	$1,181	$45
2025	681	26
2026	695	12
2027	176	1
Total	$2,733	$84

Note 18 – Jointly Governed Organizations

Ohio Mid-Eastern Regional Education Service Agency (OME-RESA) The Ohio Mid-Eastern Regional Educational Service Agency was created as a regional council of governments pursuant to State Statues. OME-RESA has twelve participating counties consisting of Belmont, Carroll, Columbiana, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Monroe, Muskingum, Noble and Tuscarawas Counties. OME-RESA operates under the direction of a Board consisting of one representative from each of the participating school district's elected boards, plus a joint vocational service representative, the fiscal agent superintendent and a treasurer, which possesses its own budgeting and taxing authority. The degree of control exercised by any participating school district is limited to its representation on the Board. OME-RESA provides financial accounting services, educational management information, internet access and cooperative purchasing services to member districts. The School District participates in the natural gas sales service program. This program allows schools to purchase natural gas at reduced rates. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage and any necessary adjustments are made. The School District no longer pays OME-RESA directly for the gas purchases, but instead pays the gas vendor. The School District paid OME-RESA $62,442 for financial accounting services, educational management information, internet access, student services systems, and automated notification systems for fiscal year 2023. The Jefferson County Educational Service Center serves as the fiscal agent and receives funding from the State Department of Education. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency, Treasurer, at 2230 Sunset Blvd., Suite 2, Steubenville, Ohio 43952.

Jefferson County Joint Vocational School The Jefferson County Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating school district's elected boards, which possesses its own budgeting and taxing authority. The degree of control exercised by any participating school district is limited to its representation on the Board. During fiscal year 2023, the School District made no contributions to the Vocational School District. To obtain financial information write to the Jefferson County Joint Vocational School, Treasurer, at 1509 County Highway 22A, Bloomingdale, Ohio 43910.

Note 19 – Public Entity Pools

Insurance Purchasing Pool

Ohio School Boards Association Workers' Compensation Group Retrospective Rating Program The School District participates in the Ohio School Boards Association Workers' Compensation Group Retrospective Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Jefferson Health Plan The School District participates in the Jefferson Health Plan (formally known as OME-RESA Health Benefits Consortium), an insurance purchasing pool. The plan's business and affairs are conducted by a Board of Trustees consisting of the current Superintendent of each of the school districts and county boards of education in the Plan. The Executive Director, or his designee, serves as coordinator of the program. Each month, the participating school districts pay a premium to the Plan to cover the costs of administering the program.

Shared Risk Pool

Schools of Ohio Risk Sharing Authority The School District participates in the Schools of Ohio Risk Sharing Authority (SORSA), a risk sharing pool with over 125 members. SORSA is a 100 percent member-owned, non-profit insurance risk pool owned and governed by the school district members. SORSA is governed by a Board of Directors composed of representatives of school districts that participate in the program.

SORSA has agreements with several separate organizations whereby each provides certain administrative, executive, accounting, marketing, underwriting, claim settlement, legal counsel and other services to SORSA and its members. Pursuant to participation agreements with SORSA, each member school district agrees to pay all funding rates associated with the coverage elected. This coverage includes comprehensive general liability, property insurance and automobile liability insurance. To obtain financial information write to the Schools of Ohio Risk Sharing Authority, Executive Director, at 8050 North High Street, Suite 160, Columbus, Ohio 43235-6483.

Note 20 – Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General	$653,139
Other Governmental Funds	211,641
Total Governmental	$864,780

Note 21 – 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 School District received COVID-19 funding. The School District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Note 22 – Change in Accounting Principle

For fiscal year 2023, the School District implemented Governmental Accounting Standards Board (GASB) No. 91, *Conduit Debt Obligations*, Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* and GASB Statement No. 99, *Omnibus 2022*.

GASB 91 clarifies 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 School District did not have any debt that met the definition of conduit debt.

GASB Statement 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The School District did not have any arrangements that met the GASB 94 definition of a PPP or an APA.

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). These changes were incorporated in the School District's 2023 financial statements. The School District did not have any long-term contracts that met the GASB 96 definition of a SBITA.

GASB Statement 99 addresses various issues including items related to leases, PPPs, and SBITAs. The requirements related to PPPs and SBITAs were incorporated with the corresponding GASB 94 and GASB 96 changes identified above.

Required Supplementary Information

Toronto City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.03531800%	0.03471910%	0.03142140%	0.03252230%
School District's Proportionate Share of the Net Pension Liability	$1,910,273	$1,281,035	$2,078,277	$1,945,865
School District's Covered Payroll	$1,319,171	$1,198,871	$1,121,314	$1,113,793
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	144.81%	106.85%	185.34%	174.71%
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 School District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
0.03418360%	0.03455330%	0.03351660%	0.03291240%	0.02986800%	0.02986800%
$1,957,759	$2,064,484	$2,453,106	$1,878,015	$1,511,603	$1,776,154
$1,213,444	$1,059,929	$1,042,786	$1,000,099	$1,107,611	$942,420
161.34%	194.78%	235.25%	187.78%	136.47%	188.47%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

Toronto City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
Last Seven Fiscal Years (1)

	2023	2022	2021
School District's Proportion of the Net OPEB Liability	0.03624760%	0.03593090%	0.03274780%
School District's Proportionate Share of the Net OPEB Liability	$508,922	$680,022	$711,717
School District's Covered Payroll	$1,319,171	$1,198,871	$1,121,314
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered - Payroll	38.58%	56.72%	63.47%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.03328990%	0.03467380%	0.03482330%	0.03382760%
$837,172	$961,945	$934,566	$964,212
$1,113,793	$1,213,444	$1,059,929	$1,042,786
75.16%	79.27%	88.17%	92.46%
15.57%	13.57%	12.46%	11.49%

Toronto City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.02992700%	0.02921780%	0.02804414%	0.02833884%
School District's Proportionate Share of the Net Pension Liability	$6,652,809	$3,735,759	$6,785,685	$6,266,963
School District's Covered Payroll	$3,945,250	$3,654,507	$3,419,007	$3,433,243
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	168.63%	102.22%	198.47%	182.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%	77.40%

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
0.02901514%	0.02868496%	0.02884303%	0.02802220%	0.02906415%	0.02906415%
$6,379,779	$6,814,174	$9,654,632	$7,744,517	$7,069,407	$8,421,032
$3,289,429	$3,186,971	$3,048,529	$2,925,043	$2,947,931	$3,847,669
193.95%	213.81%	316.70%	264.77%	239.81%	218.86%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

Toronto City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB (Asset) Liability
State Teachers Retirement System of Ohio
Last Seven Fiscal Years (1)

	2023	2022	2021
School District's Proportion of the Net OPEB Asset/Liability	0.02992700%	0.02921780%	0.02804414%
School District's Proportionate Share of the Net OPEB (Asset) Liability	($774,910)	($616,033)	($492,875)
School District's Covered Payroll	$3,945,250	$3,654,507	$3,419,007
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered - Payroll	-19.64%	-16.86%	-14.42%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	230.70%	174.70%	182.10%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.02833884%	0.02901514%	0.02868496%	0.02884303%
($469,358)	($466,243)	$1,119,181	$1,542,533
$3,433,243	$3,289,429	$3,186,971	$3,048,529
-13.67%	-14.17%	35.12%	50.60%
174.70%	176.00%	47.10%	37.30%

Toronto City School District
Required Supplementary Information
Schedule of the School District's Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	$201,559	$184,684	$167,842	$156,984
Contributions in Relation to the Contractually Required Contribution	(201,559)	(184,684)	(167,842)	(156,984)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$1,439,707	$1,319,171	$1,198,871	$1,121,314
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution (2)	26,068	24,360	23,687	21,709
Contributions in Relation to the Contractually Required Contribution	(26,068)	(24,360)	(23,687)	(21,709)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	1.81%	1.85%	1.98%	1.94%
Total Contributions as a Percentage of Covered Payroll (2)	15.81%	15.85%	15.98%	15.94%

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
$150,362	$163,815	$148,390	$145,990	$131,813	$153,515
(150,362)	(163,815)	(148,390)	(145,990)	(131,813)	(153,515)
$0	$0	$0	$0	$0	$0
$1,113,793	$1,213,444	$1,059,929	$1,042,786	$1,000,099	$1,107,611
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%
25,705	24,775	17,868	16,526	25,046	19,540
(25,705)	(24,775)	(17,868)	(16,526)	(25,046)	(19,540)
$0	$0	$0	$0	$0	$0
2.31%	2.04%	1.69%	1.58%	2.50%	1.76%
15.81%	15.54%	15.69%	15.58%	15.68%	15.62%

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

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	$557,676	$552,335	$511,631	$478,661
Contributions in Relation to the Contractually Required Contribution	(557,676)	(552,335)	(511,631)	(478,661)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$3,983,400	$3,945,250	$3,654,507	$3,419,007
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
$480,654	$460,520	$446,176	$426,794	$409,506	$383,231
(480,654)	(460,520)	(446,176)	(426,794)	(409,506)	(383,231)
$0	$0	$0	$0	$0	$0
$3,433,243	$3,289,429	$3,186,971	$3,048,529	$2,925,043	$2,947,931
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%
$0	$0	$0	$0	$0	$29,479
0	0	0	0	0	(29,479)
$0	$0	$0	$0	$0	$0
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent. The COLA was suspended for 2018-2020. Prior to 2018, an assumption of 3 percent was used.

Amounts reported in 2022 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in prior years are presented below:

	Fiscal Year 2022	Fiscal Years 2021-2017	Fiscal Year 2016 and Prior
Wage Inflation	2.4 percent	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.0 percent net of system expenses	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

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

Amounts report for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions - STRS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018-2021 and fiscal year 2017 and prior are presented below:

	Fiscal Year 2022	Fiscal Years 2021-2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	From 2.5 percent to 12.5 percent based on age	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, ,2013 or later, 2 percent COLA commences on fifth anniversary of retirement date

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

Changes in Benefit Term – STRS

For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

Net OPEB Liability

Changes in Assumptions – SERS

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

	2022	2021 and Prior
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation

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

Municipal Bond Index Rate:	
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

For fiscal year 2022, the discount rate was decreased from 7.45 percent to the long-term expected rate of return of 7.00.

For fiscal year 2023, the projected salary increases were changed from age based (2.5 percent to 12.50 percent) to service based (2.5 percent to 8.5 percent.)

Changes in Benefit Terms – STRS

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

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

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

For fiscal year 2021, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022 premium based on June 30, 2021 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2023, healthcare trends were updated to reflect emerging claims and recoveries experience.

TORONTO CITY SCHOOL DISTRICT
JEFFERSON COUNTY

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

FEDERAL GRANTOR/ *Pass Through Grantor* Program Title	**Federal AL Number**	**Expenditures**	**Non-Cash Expenditures**
UNITED STATES DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education:			
Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555		$26,913
Cash Assistance:			
School Breakfast Program	10.553	77,671	
Total School Breakfast Program		77,671	26,913
National School Lunch Program	10.555	238,251	
COVID-19 - National School Lunch Program	10.555	22,232	
Total National School Lunch Program		260,483	
Total Nutrition Cluster Total (Cash and Non-Cash)		338,154	26,913
Total U.S. Department of Agriculture		338,154	26,913
UNITED STATES DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education:			
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B)	84.027	191,757	
COVID 19 - Special Education - Grants to States (IDEA, Part B)	84.027	16,304	
Special Education - Preschool Grants (IDEA Preschool)	84.173	3,648	
COVID 19 - Special Education - Preschool Grants (IDEA Preschool)	84.173	98	
Special Education Cluster Total		211,807	
Rural Education	84.358B	16,125	
Title 1 Grants to Local Educational Agencies	84.010	243,551	
Supporting Effective Instruction State Grants	84.367	15,994	
Student Support and Academic Enrichment Program	84.424A	23,170	
Education Stabilization Fund (ESF) Under the Coronavirus Aid, Relief, and Economic Security Act			
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II)	84.425D	868,841	
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER III)	84.425U	102,121	
Total Elementary and Secondary School Emergency Relief		970,962	
Total U.S. Department of Education		1,481,609	
Totals		**$1,819,763**	**$26,913**

The accompanying notes are an integral part of this schedule.

TORONTO CITY SCHOOL DISTRICT
JEFFERSON COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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 Toronto City School District (the District's) 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 assuming 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.

5510 Pearl Road Ste 102
Parma, OH 44129-2550
Charles E. Harris & Associates, Inc. Phone - (216) 575-1630
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*

Toronto City School District
Jefferson County
137 Dennis Way
Toronto, Ohio 4364

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, the major fund, and the aggregate remaining fund information of the Toronto City School District, Jefferson 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 10, 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*.

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 10, 2024

5510 Pearl Road Ste 102
Parma, OH 44129-2527
Charles E. Harris & Associates, Inc
Office phone - (216) 575-1630
Certified Public Accountants
Fax - (216) 436-2411

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

Toronto City School District
Jefferson County
1307 Dennis Way
Toronto, Ohio 43964

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Toronto City School District, Jefferson 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 program for the year ended June 30, 2023. The District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.
January 10, 2024

TORONTO CITY SCHOOL DISTRICT
JEFFERSON 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
(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

TORONTO CITY SCHOOL DISTRICT

JEFFERSON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/21/2024

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