OHIO AUDITOR OF STATE
KEITH FABER

CLARK-SHAWNEE LOCAL SCHOOL DISTRICT
CLARK COUNTY
JUNE 30, 2023

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CLARK COUNTY
JUNE 30, 2023

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Clark-Shawnee Local School District
Clark County
3680 Selma Road
Springfield, Ohio 45502

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Clark-Shawnee Local School District, Clark County, Ohio (the School District), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School 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 Clark-Shawnee Local School District, Clark County, Ohio as of June 30, 2023, and the respective changes in financial position thereof and the budgetary comparison for the General fund for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School 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 School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2024, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 School 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 School District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

January 24, 2024

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

Financial Highlights

Key financial highlights for 2023 are as follows:

- In total, net position for governmental activities increased $322,371.

- General revenues accounted for $22,733,678 in revenue or 84 percent of governmental revenues. Program specific revenues in the form of charges for service and sales, operating grants, contributions and interest accounted for $4,208,762 or 15 percent of governmental revenues. Special items contributed $294,525 or 1 percent of revenues for total governmental revenues of $27,236,965.

- The School District had $26,914,594 in governmental expenses, up from $24,627,266 in 2022. The change in the pension and OPEB liability contributed to the increase.

- The General Fund's balance increased $56,675 from 2022.

- The School District auctioned off the remaining assets at Reid, Possum and Rockway elementary school during 2022. The demolition of Reid and Possum elementary schools was also completed during fiscal year 2022. In addition, the School District sold the Rockway Elementary School building and land during fiscal year 2022. The sale of the Reid and Possum land took place in fiscal year 2023. The financial impact of these actions has been reported as a special item in the report for fiscal year 2022 and 2023.

Using this Generally Accepted Accounting Principles Report (GAAP)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Clark-Shawnee Local School District, the General Fund is the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and deferred outflows and liabilities and deferred inflows using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities where most of the School District's programs and services are reported including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District does not have any business-type activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 13. Fund financial statements provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental fund is the General Fund.

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

The School District as a Whole

Table 1 provides a summary of the School District's net position for fiscal year 2022 compared to fiscal year 2023:

Table 1
Net Position

	Governmental Activities	
	2022	2023
Assets		
Current and Other Assets	$27,113,948	$28,152,233
Capital Assets	57,173,918	56,207,339
Net OPEB Asset	1,667,759	1,960,628
Total Assets	85,955,625	86,320,200
Deferred Outflows of Resources		
Pension	5,476,489	5,193,535
OPEB	518,398	440,242
Total Deferred Outflows of Resources	5,994,887	5,633,777
Liabilities		
Current and Other Liabilities	3,109,851	2,845,220
Long-Term Liabilities		
Due Within One Year	578,343	815,395
Due in More Than One Year		
Net Pension Liability	12,855,030	20,861,448
Net OPEB Liability	1,457,010	1,070,169
Other Amounts	35,206,636	34,977,303
Unamortized Bond Premium	2,297,101	2,226,421
Total Liabilities	55,503,971	62,795,956
Deferred Inflows of Resources		
Pension	10,662,371	2,456,719
OPEB	2,865,132	2,955,528
Other Inflows	12,361,193	12,865,558
Total Deferred Inflows of Resources	25,888,696	18,277,805
Net Position		
Net Investment in Capital Assets	21,549,298	20,243,658
Restricted	3,230,816	4,209,516
Unrestricted	(14,222,269)	(13,572,958)
Total Net Position	$10,557,845	$10,880,216

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

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

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this pension 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.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans. Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in pension benefits, contributions rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

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

Unrestricted net position increased $649,311 due to the changes in the pension and OPEB liabilities. Unrestricted net position is the part of net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements.

Deferred outflows related to pension decreased primarily due to changes in projected and actual earnings on investment by the State Teachers Retirement System (STRS). See Note 10 for more detail.

Capital assets represent 65.11% of total assets. These capital assets are used to provide services to the students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Long-term liabilities increased primarily due to an increase in net pension liability. The increase in net pension liability and decrease in the net OPEB liability are outside the control of the School District. The School District contributes its statutorily required contributions to the retirement systems; however, it's the retirement systems that collect, hold and distribute pensions and OPEB to District retirees, not the School District.

The net pension liability increased $8,006,418 or 62.28% and deferred inflows of resources related to pension decreased $8,205,652. These changes were the result of changes at the retirement system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS).

Table 2 shows the change in net position for governmental activities for fiscal year 2022 and 2023.

Table 2
Change in Net Position

	Governmental Activities		Percentage
Revenues	2022	2023	**Change**
Program Revenues:			
Charges for Services and Sales	$834,963	$1,181,347	41.48%
Operating Grants, Contributions and Interest	4,620,748	3,027,415	(34.48)
Total Program Revenues	5,455,711	4,208,762	(22.86)
General Revenues			
Property Taxes	13,594,396	15,666,759	15.24
Grants and Entitlements Not Restricted	6,645,314	6,562,700	(1.24)
Other	131,993	504,219	282.00
Total General Revenues	20,371,703	22,733,678	11.59
Total Revenues	25,827,414	26,942,440	4.32
Program Expenses			
Instruction	11,907,163	13,384,809	12.41
Support Services:			
Pupils and Instructional Staff	2,271,634	2,348,634	3.39
Board of Education, Administration, Fiscal and Business	2,598,085	3,006,844	15.73
Operation and Maintenance of Plant	3,529,117	3,318,580	(5.97)
Pupil Transportation	1,148,864	1,473,458	28.25
Operation of Non-Instructional Services	919,619	965,884	5.03
Extracurricular Activities	919,484	1,087,213	18.24
Interest and Fiscal Charges	1,333,300	1,329,172	(0.31)
Total Expenses	24,627,266	26,914,594	9.29
Special Item	(1,768,541)	294,525	
Change in Net Position	(568,393)	322,371	156.72
Net Position, Beginning of Year	11,126,238	10,557,845	
Net Position, End of Year	$10,557,845	$10,880,216	3.05

Charges for services and sales increased as for the entire 2021-2022 school year, the Ohio Department of Education offered free breakfast and free lunch to all students attending schools on the national school lunch program; however, this was not offered for 2022-2023 school year.

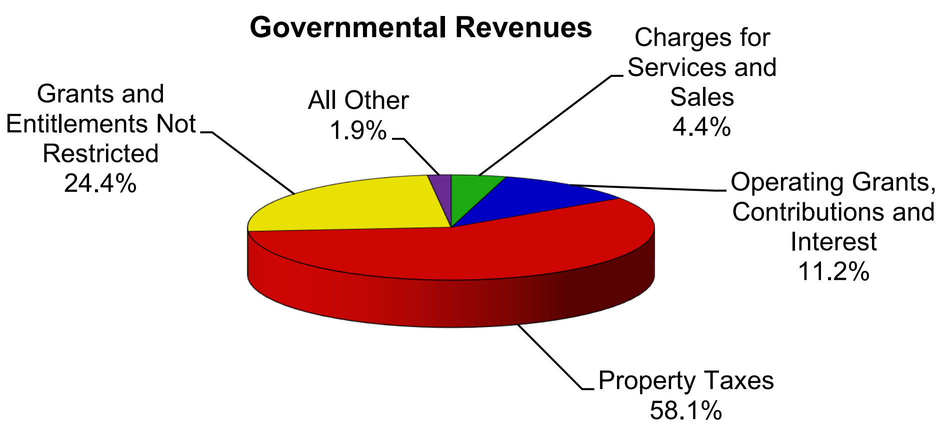
Operating grants, contributions and interest decreased due to grant revenues received for ESSER grants.

Interest revenue increased substantially for fiscal year 2023 due to favorable interest rates.

The special item for fiscal year 2022 and 2023 consisted of revenues received from the auctions of assets at the Reid, Possum and Rockway Elementary schools and expenses in the demolition and disposal of those school's assets as follows:

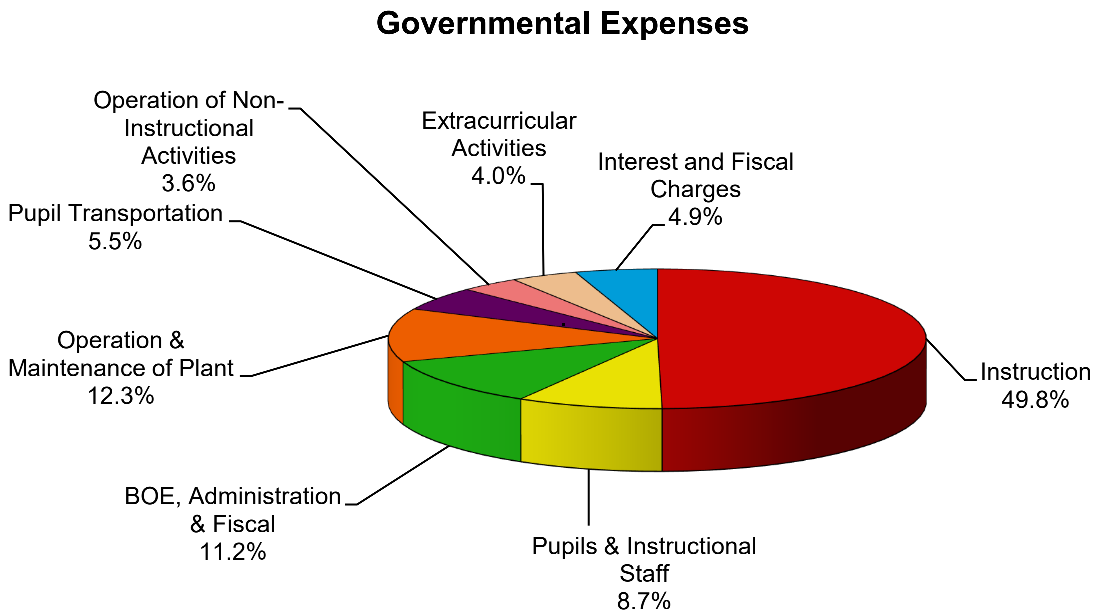
Special Item	Amount
Proceeds from sale of Rockway building and land	$413,625
Proceeds from auction of assets	69,201
Remaining book value of assets at Reid, Possum and Rockway schools	(1,917,543)
Demolition expenses	(333,824)
Total Special Item for fiscal year 2022	($1,768,541)
Sale of Possum and Reid land - fiscal year 2023	$294,525
Total	($1,474,016)

Governmental Activities



The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for the School District operations. The overall revenue generated by a levy does not increase solely as a result of inflation. Property taxes made up 58.1 percent of revenues for governmental activities for the Clark-Shawnee Local School District for fiscal year 2023 and 52.7% for fiscal year 2022.

Instruction comprises 49.8 percent of district expenses. Support services expenses make up 37.7 percent of expenses.



The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2023	Net Cost of Services 2023
Instruction	$11,907,163	($9,988,061)	$13,384,809	($11,400,879)
Support Services:				
Pupils and Instructional Staff	2,271,634	(1,485,579)	2,348,634	(2,104,284)
Board of Education, Administration, Fiscal and Business	2,598,085	(2,598,085)	3,006,844	(3,006,844)
Operation and Maintenance of Plant	3,529,117	(2,815,526)	3,318,580	(2,977,405)
Pupil Transportation	1,148,864	(1,106,180)	1,473,458	(1,401,418)
Operation of Non-Instructional Services	919,619	505,822	965,884	158,040
Extracurricular Activities	919,484	(350,646)	1,087,213	(643,870)
Interest & Fiscal Charges	1,333,300	(1,333,300)	1,329,172	(1,329,172)
Total Expenses	$24,627,266	($19,171,555)	$26,914,594	($22,705,832)

The dependence upon tax revenues is apparent, as 84.36% of all governmental activities are dependent upon general revenue support. For instruction, 85.18% of instruction activities are supported through taxes and other general revenues. The community, as a whole, is the primary support for the Clark-Shawnee Local School District.

The School District's Funds

Information about the School District's major funds starts on page 19. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of $27,311,984 and expenditures of $27,024,343. The net change in fund balance for fiscal year 2023 in the General Fund was a increase of $56,675. The General Fund transferred $655,648 to the Permanent Improvement Fund to support capital projects.

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.

Final appropriations were $21,899,689 which matched original appropriations. 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 was $20,850,554, an increase of $657,937. Increases in property taxes contributed to the increase.

Capital Assets

At the end of fiscal year 2023, the School District had $56,207,339 invested in governmental capital assets. Table 4 shows fiscal year 2023 balances compared to fiscal year 2022.

Table 4

	Capital Assets (Net of Depreciation) at June 30,	
	2022	2023
Land	$612,241	$641,103
Buildings and Improvements	62,465,409	62,465,409
Infrastructure	148,110	811,557
Site Improvements	1,821,980	1,821,980
Furniture and Equipment	845,511	912,520
Vehicles	1,999,216	2,049,882
Intangible - riight to use: leased equipment	180,601	180,601
Less: Accumulated Depreciation	(10,899,150)	(12,675,713)
Total	$57,173,918	$56,207,339

Overall, capital assets decreased $966,579 from fiscal year 2022 to fiscal year 2023. The School District completed its construction of the wastewater treatment plant during fiscal year 2023. In addition, a couple of buses were purchased in fiscal year 2023. For more information on capital assets, see Note 8 of the Basic Financial Statements.

Debt Administration

At June 30, 2023, the School District had the following outstanding long-term debt:

	Amount Outstanding 6/30/2022	Amount Outstanding 6/30/2023
Governmental Activities		
General Obligation Bonds 2017 & 2018	$34,270,000	$33,865,000
Financed Purchases	54,357	552,849
Leases Payable	114,780	46,748
Total Governmental Activities	$34,439,137	$34,464,597

During fiscal year 2018, the School District issued general obligation bonds for the construction of a new elementary building and renovation of the middle school and high school. $405,000 in principal payments were made in fiscal year 2023. $470,000 in principal is due in fiscal year 2024.

For more information on the School District's debt, see Note 13 of the Basic Financial Statements.

Current Financial Issues and Concerns

The Clark-Shawnee Local School District continues to keep a watchful eye on the finances of the School District.

On August 8, 2017, the voters of the School District approved a $37 million bond issue to build a new elementary school across the street from the high school and renovate the high school. The bond issue is $5.3 mills and is for 37 years. The State of Ohio will contribute approximately $15 million towards the project.

On November 6, 2012, the voters of the School District approved a 7.49 renewal levy for ten years. The levy will generate $2,463,333 per year.

The voters have rejected two attempts to raise additional operating funds. On August 6, 2013, the voters of the School District rejected a 7.59 mill, ten-year operating levy. Again, on November 5, 2013, the voters of the School District rejected a 7.59 mill, ten-year operating levy.

On May 6, 2014, the voters of the School District approved a ten-year, 6.95 mill levy to provide operating funds for the school district. The levy is anticipated to provide $2,257,998 in tax revenues to the School District.

On November 2, 2021, residents of Clark-Shawnee Local School District rejected a proposed substitute levy that combined two existing levies. The proposed 12.5-mill measure combined two existing levies — one that generates $2.4 million annually and another that brings in about $2.2 million a year. Both levies were first passed in 2012 and 2014, respectively. Both current levies are used for operating costs for the district, including materials, supplies, salaries, benefits, programs, classes, and more. On August 2, 2022, the voters approved the substitute levy.

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 Thomas Faulkner, Treasurer at Clark-Shawnee Local School District, 3680 Selma Road, Springfield, Ohio 45502 or email at tom.faulkner@cslocal.org.

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Clark-Shawnee Local School District
Statement of Net Position
June 30, 2023

	GOVERNMENTAL ACTIVITIES
Assets:	
Equity in Pooled Cash and Cash Equivalents	$12,310,935
Cash and Cash Equivalents with Escrow Agents	620,043
Accounts Receivable	83,160
Intergovernmental Receivable	402,347
Inventory of Supplies and Materials	4,787
Prepaid Items	8,357
Property Taxes Receivable	14,717,604
Cash and Cash Equivalents	
With Fiscal Agents	5,000
Depreciable Capital Assets, Net	55,566,236
Land	641,103
Net OPEB Asset	1,960,628
Total Assets	86,320,200
Deferred Outflows of Resources	
Pension	5,193,535
OPEB	440,242
Total Deferred Outflows of Resources	5,633,777
Liabilities:	
Accounts Payable	44,967
Accrued Wages and Benefits Payable	2,023,989
Intergovernmental Payable	418,938
Accrued Interest Payable	114,408
Matured Compensated Absences Payable	191,501
Vacation Leave Payable	45,164
Unearned Revenue	1,253
Matured Bond Payable	5,000
Long Term Liabilities:	
Due Within One Year	815,395
Due In More Than One Year:	
Net Pension Liability	20,861,448
Net OPEB Liability	1,070,169
Other Amounts Due In More Than One Year	34,977,303
Unamortized Premium on Bonds	2,226,421
Total Liabilities	62,795,956
Deferred Inflows of Resources:	
Property Taxes not Levied to Finance Current Year Operations	12,865,558
Pension	2,456,719
OPEB	2,955,528
Total Deferred Inflows of Resources	18,277,805
Net Position:	
Net Investment in Capital Assets	20,243,658
Restricted for:	
Capital Projects	1,677,131
Debt Service	1,216,821
Other Purposes	1,315,564
Unrestricted	(13,572,958)
Total Net Position	10,880,216

See Accompanying Notes to the Basic Financial Statements

Clark-Shawnee Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2023

		PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES AND SALES	OPERATING GRANTS CONTRIBUTIONS AND INTEREST	TOTAL GOVERNMENTAL ACTIVITIES
Governmental Activities				
Instruction:				
Regular	$8,960,426	$347,503	$60,417	($8,552,506)
Special	4,140,629	65,908	1,507,859	(2,566,862)
Vocational	125,067	-	2,243	(122,824)
Adult/Continuing	57,546	-	-	(57,546)
Other	101,141	-	-	(101,141)
Support Services:				
Pupils	1,724,062	-	125,193	(1,598,869)
Instructional Staff	624,572	-	119,157	(505,415)
Board of Education	155,886	-	-	(155,886)
Administration	2,150,906	-	-	(2,150,906)
Fiscal	700,052	-	-	(700,052)
Operation and Maintenance of Plant	3,318,580	48,730	292,445	(2,977,405)
Pupil Transportation	1,473,458	12,557	59,483	(1,401,418)
Operation of Non-Instructional Services	965,884	360,892	763,032	158,040
Extracurricular Activities	1,087,213	345,757	97,586	(643,870)
Interest and Fiscal Charges	1,329,172	-	-	(1,329,172)
Total	$26,914,594	$1,181,347	$3,027,415	(22,705,832)

General Revenues:	
Property Taxes Levied for:	
General Purposes	13,743,926
Debt Service	1,922,833
Grants and Entitlements not Restricted to Specific Programs	6,562,700
Grant from School Facilities Commission for Capital Construction	30,774
Gifts and Donations not Restricted to Specific Programs	21,236
Investment Earnings/Change in Fair Value	259,173
Miscellaneous	193,036
Total General Revenues	22,733,678
Special Item	294,525
Change in Net Position	322,371
Net Position Beginning of Year	10,557,845
Net Position End of Year	10,880,216

See Accompanying Notes to the Basic Financial Statements

Clark-Shawnee Local School District

Balance Sheet

Governmental Funds

June 30, 2023

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets:			
Equity in Pooled Cash and			
Cash Equivalents	$7,701,413	$4,609,522	$12,310,935
Receivables:			
Property Taxes	12,849,662	1,867,942	14,717,604
Accounts	83,160	-	83,160
Intergovernmental	-	402,347	402,347
Interfund	168,325	-	168,325
Inventory of Supplies and Materials	4,787	-	4,787
Prepaid Items	8,298	59	8,357
Cash and Cash Equivalents			
With Fiscal Agents	-	5,000	5,000
Restricted Asset:			
Cash and Cash Equivalents with Escrow Agents	-	620,043	620,043
Total Assets	$20,815,645	$7,504,913	$28,320,558
Liabilities:			
Accounts Payable	$26,725	$18,242	$44,967
Accrued Wages and Benefits Payable	1,896,520	127,469	2,023,989
Interfund Payable	-	168,325	168,325
Intergovernmental Payable	378,510	40,428	418,938
Matured Compensated Absences Payable	191,501	-	191,501
Unearned Revenue	-	1,253	1,253
Matured Bond Payable	-	5,000	5,000
Total Liabilities	2,493,256	360,717	2,853,973
Deferred Inflows of Resources:			
Property Taxes not Levied to Finance Current Year Operations	11,346,615	1,518,943	12,865,558
Unavailable Revenue	426,296	365,818	792,114
Total Deferred Inflows of Resources	11,772,911	1,884,761	13,657,672
Fund Balances:			
Nonspendable	13,085	59	13,144
Restricted	-	4,760,585	4,760,585
Committed	11,000	-	11,000
Assigned	2,356,829	647,757	3,004,586
Unassigned (Deficit)	4,168,564	(148,966)	4,019,598
Total Fund Balances	6,549,478	5,259,435	11,808,913
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$20,815,645	$7,504,913	$28,320,558

See Accompanying Notes to the Basic Financial Statements

Clark-Shawnee Local School District

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

Total Governmental Fund Balances		$11,808,913
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. These assets consist of:		
Land	641,103	
Buildings and Improvements	62,465,409	
Site Improvements	1,821,980	
Infrastructure	811,557	
Furniture and Equipment	912,520	
Vehicles	2,049,882	
Intangible - right to use - leased equipment	180,601	
Accumulated Depreciation	(12,675,713)	56,207,339
Total Capital Assets		
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes Receivable	377,612	
Accounts Receivable	83,160	
Intergovernmental Receivable	331,342	792,114
The net pension/OPEB liabilities/(asset) are not due and payable in the current period; therefore, the liabilities/(asset) and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	5,193,535	
Deferred Outflows - OPEB	440,242	
Deferred Inflows - Pension	(2,456,719)	
Deferred Inflows - OPEB	(2,955,528)	
Net Pension Liability	(20,861,448)	
Net OPEB Liability/(Asset)	890,459	
		(19,749,459)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Financed Purchases Payable	(552,849)	
Leases Payable	(46,748)	
General Obligations Bonds Payable	(33,865,000)	
Unamortized Premium on Bonds	(2,226,421)	
Accrued Interest Payable	(114,408)	
Vacation Leave Payable	(45,164)	
Compensated Absences Payable	(1,328,101)	(38,178,691)
Net Position of Governmental Activities		$10,880,216

See Accompanying Notes to the Basic Financial Statements

Clark-Shawnee Local School District

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2023

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:			
Property Taxes	$13,794,344	$1,931,988	$15,726,332
Tuition and Fees	392,975	-	392,975
Interest	159,203	99,970	259,173
Intergovernmental	7,217,141	2,724,826	9,941,967
Extracurricular Activities	52,763	289,094	341,857
Charges for Services	44,640	331,408	376,048
Gifts and Donations	3,250	21,236	24,486
Rent	9,116	-	9,116
Miscellaneous	204,417	35,613	240,030
Total Revenues	21,877,849	5,434,135	27,311,984
Expenditures:			
Current:			
Instruction:			
Regular	8,962,961	120,715	9,083,676
Special	3,398,900	738,679	4,137,579
Vocational	124,119	-	124,119
Adult/Continuing	57,546	-	57,546
Other	101,011	-	101,011
Support Services:			
Pupils	1,534,452	198,152	1,732,604
Instructional Staff	458,064	106,467	564,531
Board of Education	157,290	-	157,290
Administration	2,176,104	799	2,176,903
Fiscal	678,692	31,956	710,648
Operation and Maintenance of Plant	1,468,434	945,190	2,413,624
Pupil Transportation	1,312,124	289,088	1,601,212
Operation of Non-Instructional Services	45,716	934,660	980,376
Extracurricular Activities	598,637	478,221	1,076,858
Capital Outlay	-	123,464	123,464
Debt Service:			
Principal Retirement	68,032	513,668	581,700
Interest and Fiscal Charges	3,320	1,397,882	1,401,202
Total Expenditures	21,145,402	5,878,941	27,024,343
Excess of Revenues Over (Under) Expenditures	732,447	(444,806)	287,641
Other Financing Sources (Uses):			
Proceeds from Financed Purchase	-	607,160	607,160
Transfers In	-	870,708	870,708
Transfers Out	(675,772)	(194,936)	(870,708)
Total Other Financing Sources (Uses)	(675,772)	1,282,932	607,160
Special Item	-	294,525	294,525
Net Change in Fund Balances	56,675	1,132,651	1,189,326
Fund Balances at Beginning Of Year	6,492,803	4,126,784	10,619,587
Fund Balances at End of Year	$6,549,478	$5,259,435	$11,808,913

See Accompanying Notes to the Basic Financial Statements

Clark-Shawnee Local 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		$1,189,326
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 expense. In the current period, these amounts are:		
Capital Outlay	947,774	
Depreciation Expense	(1,914,353)	
Excess of Capital Outlay over Depreciation Expense		(966,579)
The issuance of long-term debt provides current financial resources to governmental funds, but in the statement of net position, the debt is reported as a liability:		
General Obligation Bonds Payments	405,000	
Amortization of Premium on Bonds Issued	70,680	
Lease Payments	68,032	
Financed Purchases Payments	108,668	
Total long-term debt repayment		652,380
Some revenues that will not be collected for several months after the School District's fiscal year-end are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues increased/decreased by this amount this year.		
Property Taxes	(59,573)	
Tuition and Fees	15,442	
Intergovernmental Grants	(324,328)	
		(368,459)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		1,923,298
Except for amounts reported as deferred inflows/outflows, changes in net pension/OPEB liability/(asset) are reported as pension/OPEB expense in the statement of activities.		(1,495,860)
Some capital additions were financed. In governmental funds, a financed purchase is reported as an other financing source. In the statement of net position, the financed purchase is reported as a liability.		(607,160)
Some items 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. These activities consist of:		
Decrease in Compensated Absences	17,741	
Decrease in Accrued Interest Payable	1,350	
Increase in Vacation Leave Payable	(23,666)	
		(4,575)
Change in Net Position of Governmental Activities		$322,371

See Accompanying Notes to the Basic Financial Statements

Clark-Shawnee Local 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			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
Revenues:				
Property Taxes	$11,947,440	$12,854,343	$13,835,240	$980,897
Intergovernmental	7,390,141	7,137,633	7,270,552	132,919
Interest	25,000	100,000	206,717	106,717
Tuition and Fees	439,529	484,078	392,975	(91,103)
Charges for Services	5,000	9,500	4,456	(5,044)
Rent	8,500	5,000	9,116	4,116
Miscellaneous	22,000	35,000	22,423	(12,577)
Total Revenues	19,837,610	20,625,554	21,741,479	1,115,925
Expenditures:				
Current:				
Instruction:				
Regular	8,954,880	8,954,880	8,949,818	5,062
Special	3,362,341	3,362,341	3,347,097	15,244
Vocational	126,845	126,845	123,605	3,240
Adult/Continuing	67,000	67,000	57,546	9,454
Other	50,000	50,000	93,309	(43,309)
Support Services:				
Pupils	1,486,293	1,486,293	1,490,364	(4,071)
Instructional Staff	572,268	572,268	528,629	43,639
Board of Education	170,435	170,435	157,645	12,790
Administration	2,427,455	2,427,455	2,185,859	241,596
Fiscal	662,130	662,130	666,507	(4,377)
Business	9,200	9,200	-	9,200
Operation and Maintenance of Plant	1,469,588	1,469,588	1,544,798	(75,210)
Pupil Transportation	1,137,737	1,137,737	1,287,640	(149,903)
Operation of Non-Instructional Services	7,763	7,763	10,083	(2,320)
Extracurricular Activities	595,754	595,754	541,801	53,953
Total Expenditures	21,099,689	21,099,689	20,984,701	114,988
Excess of Revenues Over (Under) Expenditures	(1,262,079)	(474,135)	756,778	1,230,913
Other Financing Sources (Uses):				
Advance In	220,007	90,000	90,000	-
Refund of Prior Year Expenditure	135,000	135,000	183,787	48,787
Transfers Out	(675,000)	(675,000)	(675,772)	(772)
Advances Out	(90,000)	(90,000)	(97,340)	(7,340)
Refund of Prior Year Receipts	(35,000)	(35,000)	-	35,000
Total Other Financing Sources (Uses)	(444,993)	(575,000)	(499,325)	75,675
Net Change in Fund Balances	(1,707,072)	(1,049,135)	257,453	1,306,588
Fund Balance at Beginning of Year	7,219,897	7,219,897	7,219,897	-
Prior Year Encumbrances Appropriated	118,813	118,813	118,813	-
Fund Balance at End of Year	$5,631,638	$6,289,575	$7,596,163	$1,306,588

See Accompanying Notes to the Basic Financial Statements

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NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Clark-Shawnee Local School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government and provides educational services as mandated by State statute and federal guidelines.

The School District was established in 1858 through the consolidation of existing land areas and school districts. It was formerly named Springfield Local School District. The School District serves an area of approximately 36 square miles. It is located in Clark County, and includes all of Springfield Township. The School District provides services to approximately 1,660 students and other community members. The School District currently operates one elementary school (K-6) and a middle/high school (7-12).

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Clark-Shawnee Local School District, this includes general operations, food service, and student related activities of the School District. The following activities are also included within the reporting entity:

> *Parochial Schools* - Within the School District boundaries, Risen Christ Lutheran School is operated as a private school. Current State legislation provides funding to this parochial school. The monies are received and disbursed on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. This activity is reflected as a government activity for financial reporting purposes.

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 entitled to or can otherwise access the organization's resources; 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. The School District is also financially accountable for any 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. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the School District, are accessible to the School District and are significant in amount to the School District. The School District has no component units.

The School District participates in three jointly governed organizations and an insurance purchasing pool. These organizations are discussed in Note 15 to the basic financial statements. These organizations are:

Jointly Governed Organizations:
- Miami Valley Educational Computer Association
- Clark County Family and Children First Council
- Springfield-Clark Career Technology Center

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY (continued)

Insurance Purchasing Pool:
Southwestern Ohio Educational Purchasing Council

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Clark-Shawnee Local 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 most significant of the School District's accounting policies are described below.

A. 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. The government-wide financial statements distinguish between those activities that are governmental and those that are business-type. The School District, however, has no activities which are reported as business-type.

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. 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements:

During the fiscal 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. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The School District has only governmental funds.

Governmental Funds:

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

> *General Fund* - The General Fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for 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.
>
> The other governmental funds of the School District account for grants and other resources whose use is restricted or assigned to a particular purpose.

C. Measurement Focus

Government-wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows and liabilities and deferred inflows associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities accounts for increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and current liabilities and deferred inflows generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

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

Non-exchange 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. 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 fiscal year when the resources are required to be used or the fiscal 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 non-exchange transactions must also be available before it can be recognized.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, grants, tuition, and student fees.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension/OPEB. The deferred outflows of resources to pension/OPEB are explained in Note 10 and Note 11.

In addition to liabilities, the statement of net position and balance sheet report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pension/OPEB, 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 unavailable grant revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide statement of net position. (See Note 10 and Note 11.)

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. Allocation of costs, such as depreciation and amortization are not recognized in governmental funds.

E. Cash and Cash Equivalents

To improve cash management, all 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."

The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented as "Cash and Cash Equivalents with Fiscal Agents" and represents deposits.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The School District has presented as "Cash and Cash Equivalents with Escrow Agents" proceeds received for the financed purchase of buses. The proceeds have been placed with an escrow agent until the buses that have been ordered arrive.

Investments are reported at fair value.

The School District's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but has adopted GASB Statement No. 79, "Certain External Investment Pools and Pool Participants". The School District measurers 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 a NAV per share that approximates fair value.

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

The School District had investments in Federally backed Agency securities, money market funds and negotiable CDs at June 30, 2023, which are reported at fair value.

The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue/change in fair value credited to the General Fund during fiscal year 2023 amounted to $159,203, which includes $69,136 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 reported as cash equivalents.

F. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used.

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. 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.

I. 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 are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of $2,500.

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

Description	Estimated Lives
Buildings and Improvements	20-40 years
Site Improvements	20-25 years
Infrastructure	30 years
Furniture and Equipment	5-20 years
Vehicles	8 years

J. Accrued Liabilities and Long-term Obligations

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

In general, payables and accrued liabilities that once incurred are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental funds. However, compensated absences and contractually required pension and OPEB contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. 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 School District 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 after fifteen years of service with the State Teachers Retirement System of Ohio (STRS Ohio) or the School Employees Retirement System (SERS).

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

On governmental fund financial statements, compensated absences are reported 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 funds from which the employees will be paid.

L. Fund Balance

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

Non-spendable – The non-spendable classification 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' 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 classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Education. The committed amounts cannot be used for any other purpose unless the 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assigned – Amounts in the assigned 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. In the General Fund, assigned amounts represent intended uses established by the Board of Education.

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 fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

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 can be used.

M. Net Position

Net position represents the difference between assets, liabilities and deferred outflows/inflows of resources. 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 either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include activities for food service operations, music and athletic programs, and federal and state grants restricted to expenditures for specified purposes.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. None of the restricted net position amounts were restricted by enabling legislation.

N. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures 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 are eliminated on the Statement of Activities. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

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 Statement of Net Position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Special Item

Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. For 2022, the School District recorded the revenues from the sale of assets at the Reid, Possum and Rockway elementary schools as well as the remaining book value of the assets and demolition expenses as a special item. During fiscal year 2023, the School District finalized the disposition of the assets when the land where the Possum and Reid elementary buildings sat was sold. Proceeds from the sale of the land were recorded as a special item for fiscal year 2023.

P. Estimates

The preparation of the 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.

Q. 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 sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2023.

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

NOTE 3 - FUND DEFICITS

The Athletics, ESSER, Special Education IDEA, Title I, Title IV-A and Title II-A special revenue funds had deficit fund balances at June 30, 2023, of $48,424, $13,716, $33,845, $41,095, $137, and $11,749, respectively. The General Fund is liable for any deficit in these funds and will provide operating transfers when cash is required, not when accruals occur.

NOTE 4 – 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 basis), 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 presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budgetary basis and GAAP basis are as follows:

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

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

3. Encumbrances are treated as expenditures (budgetary) rather than as assigned fund balance (GAAP).

4. Perspective differences as a result of fund structure.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement for the General Fund.

Net Change in Fund Balance

	General
GAAP Basis	$56,675
Net Adjustment for Revenue Accruals	(30,017)
Net Adjustment for Expenditure Accruals	231,154
Perspective Differences	14,775
Prepaids	(4,981)
Advances	(7,340)
Change in Fair Market Value of Investments	173,670
Encumbrances	(176,483)
Budgetary Basis	$257,453

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) or by the financial institution's 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 are to be deposited or invested in the following securities:

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

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

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

4. Bonds and other obligations of the State of Ohio and with certain limitations including a requirement for maturity within ten years from the date of the 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;

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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

8. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 and 270 days, respectively, from the purchase date in an amount not to exceed 40 percent of the interim monies available for investment at any one time; if training requirements are met.

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. The School District has no deposit policy for custodial risk beyond the requirements of State statute.

Ohio law requires that deposits be either insured or be protected by (1) eligible securities pledged to and deposited with either the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of deposits being secured (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of the State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of the State. For 2023, one of the School District’s financial institutions participating in the OPCS was approved for a reduced collateral rate.

At fiscal year-end, the carrying amount of the School District’s deposits was $2,794,583 and the bank balance was $2,825,660. $1,137,319 of the School District’s deposits was insured by federal depository insurance. As of June 30, 2023, $1,688,341 of the School District’s bank balance of $2,825,660 was collateralized through the OPCS.

Investments

Investments are reported at fair value. The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. At June 30, 2023, the School had the following investments:

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

	Investment Maturity			Credit Rating
Investment	Less than 1 Yr	1-2 Years	Total	Moody's
First American Treasury Obligations Fund	$166,891	$0	$166,891	AAAm
US Government Agency Notes	735,405	514,560	1,249,965	Aaa
Variable Rate US Agency Notes	-	288,191	288,191	Aaa
US Treasury Notes	-	191,481	191,481	Aaa
Negotiable Certificates of Deposit	612,493	1,361,998	1,974,491	NA
STAR Ohio	5,650,333	-	5,650,333	AAAm
Federated Treasury Obligations Fund	620,043	-	620,043	AAAm
	$ 7,785,165	$2,356,230	$10,141,395	

Interest Rate Risk -Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The School District's investment policy does not further limit its investment choices.

Credit Risk – The School District's investment policy limits investments to those authorized by State statute. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Concentration of Credit Risk - The School District places no limits on the amount the School District may invest in any one issuer. The School District's investments are as follows:

Investment	**Percent**
First American Treasury Obligation Fund	1.7%
US Government Agency Notes	12.3%
Variable Rate US Agency Notes	2.8%
US Treasury Notes	1.9%
Negotiable CDs	19.5%
STAR Ohio	55.7%
Federated Treasury Obligations Fund	6.1%
Total	100%

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The federal agency securities are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the School District's name.

The School District has no investment policy dealing with custodial credit risk beyond the requirements of State statue which prohibit payment for investments prior to the delivery of the securities representing the investments to the Treasurer or qualified trustee.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District 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 and public utility property located in the School District. Real property tax revenue received in calendar 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2023 represents collections of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien December 31, 2021, were levied after April 1, 2022 and are collected in 2023 with real property taxes. Public utility real property is assessed at 35 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 Clark 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 2024 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, public utility property and tangible personal property taxes which are measurable as of June 30, 2023, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflow of resources.

The amount available as an advance is recognized as revenue. On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The amount available as an advance at June 30, 2023, was $1,159,911 in the General Fund and $314,523 in the Bond Retirement Fund. The amount available as an advance at June 30, 2022, was $1,200,797 in the General Fund and $261,695 in the Bond Retirement Fund.

NOTE 6 - PROPERTY TAXES (continued)

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

	2022 Second-Half Collections		2023 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	$353,467,820	90.91%	$420,984,390	91.48%
Public Utility Personal	35,350,260	9.09	39,220,830	8.52
Total	$388,818,080	100.00%	$460,205,220	100.00%
Tax Rate per $1,000 of Assessed Valuation	$48.96		$46.44	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2023, consisted of property taxes, accounts (tuition and student fees) and intergovernmental grants. All receivables are considered collectible in full and will be received within one year. A summary of the principal items of intergovernmental receivables are as follows:

Intergovernmental Receivable	Amounts
Governmental Activities:	
Special Education IDEA	$45,196
Title I	148,571
IDEA - Early Childhood	395
ESSER	69,119
Title IV-A	10,285
Title II-A	41,482
OFCC grant	87,299
Total	$402,347

NOTE 8 - CAPITAL ASSETS

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

	Balance 6/30/22	Additions	Deletions	Balance 6/30/23
Governmental Assets				
Capital Assets, not being depreciated				
Land	$612,241	$28,862	$0	$641,103
Total Capital Assets, not being depreciated	612,241	28,862	-	641,103
Capital Assets, being depreciated				
Buildings and Improvements	62,465,409	-	-	62,465,409
Infrastructure	148,110	663,447	-	811,557
Site Improvements	1,821,980	-	-	1,821,980
Furniture and Equipment	845,511	67,009	-	912,520
Vehicles	1,999,216	188,456	(137,790)	2,049,882
Intangible - right to use: leased equipment	180,601	-	-	180,601
Total Capital Assets, being depreciated	67,460,827	918,912	(137,790)	68,241,949
Less: Accumulated Depreciation				
Buildings and Improvements	(7,527,749)	(1,546,831)	-	(9,074,580)
Infrastructure	(69,118)	(15,994)	-	(85,112)
Site Improvements	(1,391,336)	(47,522)	-	(1,438,858)
Furniture and Equipment	(419,150)	(79,600)	-	(498,750)
Vehicles	(1,425,976)	(156,374)	137,790	(1,444,560)
Intangible - right to use: leased equipment	(65,821)	(68,032)	-	(133,853)
Total Accumulated Depreciation	(10,899,150)	(1,914,353)	137,790	(12,675,713)
Total Capital Assets, being depreciated, net	56,561,677	(995,441)	-	55,566,236
Governmental Activities Capital Assets, net	57,173,918	(966,579)	-	56,207,339

NOTE 8 - CAPITAL ASSETS (continued)

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$61,697
Special	131
Support Services:	
Pupils	249
Instructional Staff	66,511
Administration	1,085
Operation and Maintenance of Plant	1,615,380
Pupil Transportation	156,374
Operation of Non-Instructional Services	1,483
Extracurricular Activities	11,443
	$1,914,353

NOTE 9 - RISK MANAGEMENT

A. 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 Arthur Gallagher Risk Management Services Inc. through the Southwestern Ohio Educational Purchasing Council for liability, property, crime, and fleet insurance. Coverage provided is as follows:

Building and Contents-replacement cost ($1,000 deductible)	$300,000,000
Boiler and Machinery ($2,500 deductible)	50,000,000
Crime Insurance	1,000,000
Automobile Liability ($1,000 deductible)	1,000,000
General Liability	
Per occurrence	1,000,000
Total per year	3,000,000

Settled claims have not exceeded this commercial coverage in the past three fiscal years. There has been no significant reduction in insurance coverage from last fiscal year.

NOTE 9 - RISK MANAGEMENT (continued)

B. Workers' Compensation

For fiscal year 2023, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), a workers' compensation insurance purchasing pool (Note 15). 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. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Hunter Consulting provides administrative, cost control, and actuarial services to the GRP.

NOTE 10 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions 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 liability represents the School District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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 are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

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

Plan Description - School Employees Retirement System (SERS)

Plan Description – 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, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire 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% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA was 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 or 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. In 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% 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% for plan members and 14% 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% was allocated to the Health Care Fund.

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

The School District's contractually required contribution to SERS was $444,297 for fiscal year 2023. Of this contribution, $43,934 is shown as intergovernmental payable.

Plan Description - 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 retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS 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 (CO) Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective Aug. 1, 2015, the calculation is 2.2% 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 Aug. 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 Aug. 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

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

The CO Plan offers features of both the DB Plan and the DC Plan. In the CO Plan, 12% of the 14%-member rate is deposited into the member's DC account and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the CO 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.

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

New members who choose the DC Plan or CO 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 Ohio plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's CO Plan account to a lifetime benefit results in STRS Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options in the GASB 68 schedules of employer allocations and pension amounts by employer.

A DB or CO 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 10 years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2023 employer and member contribution rates of 14% 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 $1,417,615 for fiscal year 2023. Of this amount $281,699 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
Proportionate Share of the Net Pension Liability	$4,028,923	$16,832,525	$20,861,448
Proportion of the Net Pension Liability			
Prior Measurement Date	0.0742981%	0.079099998%	
Current Measurement Date	0.0744886%	0.075719430%	
Change in Proportionate Share	0.0001905%	-0.003380568%	
Pension Expense	$134,275	$1,811,357	$1,945,632

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$163,440	$215,478	$378,918
Changes of assumptions	39,754	2,014,347	2,054,101
Net difference between projected and actual earnings on pension plan investments	0	585,735	585,735
Differences between School District contributions and proportionate share of contributions	6,230	306,639	312,869
School District contributions subsequent to the measurement date	444,297	1,417,615	1,861,912
Total Deferred Outflows of Resources	$653,721	$4,539,814	$5,193,535
Deferred Inflows of Resources			
Differences between expected and actual experience	$26,449	$64,390	$90,839
Changes of assumptions	0	1,516,225	1,516,225
Net difference between projected and actual earnings on pension plan investments	140,591	0	140,591
Difference between School District contributions and proportionate share of contributions	57,643	651,421	709,064
Total Deferred Inflows of Resources	$224,683	$2,232,036	$2,456,719

$1,861,912 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 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	($37,821)	($100,271)	($138,092)
2025	(10,506)	(190,664)	(201,170)
2026	(200,837)	(525,999)	(726,836)
2027	233,905	1,707,097	1,941,002
Total	($15,259)	$890,163	$874,904

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions - SERS

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

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

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

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

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
COLA or ad hoc COLA:	
Current measurement date	2%, on or after April 1, 2018, COLAs will be delayed for three years following commencement
Prior measurement date	2.00%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses
Discount Rate:	
Current measurement date	7.00%
Prior measurement date	7.00%
Actuarial cost method	Entry age normal (level percent of payroll)

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

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

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

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

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate share of the net pension liability	$5,930,382	$4,028,923	$2,426,969

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation compared to those used in the June 30, 2021, actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.5% to 8.5%	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0%, effective July 1, 2017	0.00%

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

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

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

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

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

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

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate share of the net pension liability	$25,427,817	$16,832,525	$9,563,569

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

NOTE 11 – DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/(Asset)

The net OPEB liability/(asset) reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability/(asset) represents the School District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net 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.

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 OPEB are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/(asset). Resulting adjustments to the net OPEB liability/(asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

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

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the School District's surcharge obligation was $61,386.

<u>NOTE 11 – DEFINED BENEFIT OPEB PLANS</u> (continued)

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 $61,386 for fiscal year 2023. Of this amount $61,386 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

Net 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	
Proportion of the Net OPEB Liability/(Asset)			
Prior Measurement Date	0.07698530%	0.079099998%	
Current Measurement Date	0.07622230%	0.075719430%	
Change in Proportionate Share	-0.00076300%	-0.003380568%	
Proportionate Share of the Net OPEB Liability/(Asset)	$1,070,169	($1,960,628)	($890,459)
OPEB Expense	($92,053)	($357,719)	($449,772)

NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

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	$8,996	$28,422	$37,418
Changes of assumptions	170,224	83,516	253,740
Net difference between projected and actual earnings on pension plan investments	5,562	34,130	39,692
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	45,355	2,651	48,006
School District contributions subsequent to the measurement date	61,386	0	61,386
Total Deferred Outflows of Resources	$291,523	$148,719	$440,242
Deferred Inflows of Resources			
Differences between expected and actual experience	$684,559	$294,449	$979,008
Changes of assumptions	439,314	1,390,274	1,829,588
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	134,103	12,829	146,932
Total Deferred Inflows of Resources	$1,257,976	$1,697,552	$2,955,528

$61,386 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/(asset) in the 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:

NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	($234,181)	($454,089)	($688,270)
2025	(232,383)	(447,240)	(679,623)
2026	(200,568)	(213,873)	(414,441)
2027	(136,503)	(88,118)	(224,621)
2028	(224,204)	(114,204)	(338,408)
Thereafter	0	(231,309)	(231,309)
Total	($1,027,839)	($1,548,833)	($2,576,672)

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, compared with June 30, 2021, are presented below:

NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

	June 30, 2022	June 30, 2021
Inflation	2.40%	2.40%
Projected salary increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Municipal bond index rate	3.69%	1.92%
Single Equivalent interest rate, net of plan investment expense, including inflation price	4.08%	2.27%
Medical trend assumption	7.00 to 4.40%	
Medicare		5.125 to 4.400%
Pre-Medicare		6.750 to 4.400%

In 2022, mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. 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.

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

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

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

NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

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

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

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

The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

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

NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate share of the net OPEB liability	$1,329,166	$1,070,169	$861,088

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate share of the net OPEB liability	$825,292	$1,070,169	$1,390,018

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation and the June 30, 2021 actuarial valuation are presented below:

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

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

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

NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

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

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

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

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

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

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

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

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

NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

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

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

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate share of the net OPEB asset	($1,812,549)	($1,960,628)	($2,087,470)

	1% Decrease In Trend Rate	Current Trend Rate	1% Increase in Trend Rate
School District's proportionate share of the net OPEB asset	($2,033,648)	($1,960,628)	($1,868,458)

NOTE 12 – OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Vacation leave must be used by each employee prior to the end of their contract year; any remaining balance at that time is forfeited. Unused vacation time, earned within a contract year, is paid to classified employees and administrators upon retirement. 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 270 days for all personnel. Upon retirement, payment is made for twenty-six percent of accumulated sick leave up to a maximum of 265 days.

NOTE 12 – OTHER EMPLOYEE BENEFITS (Continued)

B. Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Assurant Insurance Company. Medical/surgical benefits are provided through Anthem through the Southwestern Ohio Educational Purchasing Council Medical Benefits Plan (See Note 15).

NOTE 13 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2023 were as follows:

	Amount Outstanding 6/30/2022	Additions	Deletions	Amount Outstanding 6/30/2023	Amount Due in One Year
Governmental Activities					
General Obligation Bonds - 2017	$24,630,000	$0	($405,000)	$24,225,000	$470,000
General Obligation Bonds - 2018	9,640,000	-	-	9,640,000	-
Total General Obligation Bonds	34,270,000	-	(405,000)	33,865,000	470,000
Unamortized Bond Premium	2,297,101	-	(70,680)	2,226,421	-
Net Pension Liability					
STRS	10,113,646	6,718,879	-	16,832,525	-
SERS	2,741,384	1,287,539	-	4,028,923	-
Total Net Pension Liability	12,855,030	8,006,418	-	20,861,448	-
Net OPEB Liability/(Asset)					
STRS	(1,667,759)	-	(292,869)	(1,960,628)	-
SERS	1,457,010	-	(386,841)	1,070,169	-
Total Net OPEB Liability/(Asset)	(210,749)	-	(679,710)	(890,459)	-
Financed Purchases	54,357	607,160	(108,668)	552,849	112,283
Leases Payable	114,780	-	(68,032)	46,748	41,611
Compensated Absences	1,345,842	173,760	(191,501)	1,328,101	191,501
Total	$50,726,361	$8,787,338	($1,523,591)	$57,990,108	$815,395

Compensated Absences - Compensated absences will be paid from the General Fund and the Food Service special revenue fund.

General Obligation Bonds - During fiscal year 2018, the School District issued $25,800,000 in School Facilities Construction and Improvement, Series 2017 general obligation bonds. $9,140,000 is serial bonds with interest rates ranging from 2-5% and $16,660,000 are term bonds with interest rates ranging from 3.375-5%. The bonds have a final maturity date of November 1, 2054. The terms bonds are subject to mandatory sinking fund requirements.

NOTE 13 - LONG-TERM OBLIGATIONS (continued)

Also, during fiscal year 2018, the School District issued $9,640,000 in School Facilities Construction and Improvement, Series 2018 general obligation bonds. $9,640,000 is serial bonds with interest rates ranging from 3.25-4%.

General obligation bonds will be paid from property taxes levied for debt service.

The School District's overall debt margin was $8,421,292 at June 30, 2023, and its unvoted debt margin was $460,205.

The School District's debt service requirements at June 30, 2023, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$470,000	$1,368,200	$1,838,200
2025	480,000	1,351,500	1,831,500
2026	505,000	1,326,875	1,831,875
2027	585,000	1,299,625	1,884,625
2028	615,000	1,269,625	1,884,625
2029-2033	3,745,000	5,913,150	9,658,150
2034-2038	4,660,000	5,070,807	9,730,807
2039-2043	5,975,000	4,029,150	10,004,150
2044-2048	6,080,000	2,803,100	8,883,100
2049-2053	7,360,000	1,490,000	8,850,000
2054-2055	3,390,000	140,500	3,530,500
	$33,865,000	$26,062,532	$59,927,532

Financed Purchases - The School District entered into financed purchases for the acquisition of buses. The terms of the agreements provide options to purchase the equipment. Financed purchases payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reported as program/function expenditures on a budgetary basis. Principal payments in fiscal year 2023 totaled $108,668.

Financed purchases are being paid from the Permanent Improvement Fund. The following is a schedule of future payments under the financed-purchase agreements:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$112,283	$26,729	$139,012
2025	118,070	20,941	139,011
2026	124,158	14,855	139,013
2027	130,557	8,455	139,012
2028	67,781	1,725	69,506
	$552,849	$72,705	$625,554

NOTE 13 - LONG-TERM OBLIGATIONS (continued)

Leases Payable

The School District has entered into lease agreements for the right to use equipment. Due to the implementation of GASB Statement No. 87, the School District will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund.

The School District has entered into lease agreements for copier and postage equipment with the following terms:

Company	Lease Commencement Date	Years	Lease End Date	Payment Amount	Payment Method
ProSource	Feb-19	5	Jan-24	$5,794	monthly
Pitney Bowes	Jul-22	5	May-27	456	quarterly

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

Fiscal Year	Leases Payable		
Ending June 30,	Principal	Interest	Total
2024	$41,611	$773	$42,384
2025	1,645	179	1,824
2026	1,712	113	1,825
2027	1,780	45	1,825
	$46,748	$1,110	$47,858

NOTE 14 – FUND BALANCE

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 governmental funds.

NOTE 14 – FUND BALANCE (continued)

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balance	General	Other Governmental Funds	Total Governmental Funds
Nonspendable:			
Prepaids	$ 8,298	$ 59	$ 8,357
Inventories	4,787	-	4,787
Total Nonspendable	13,085	59	13,144
Restricted for:			
Food Service Operations	-	206,567	206,567
Capital Improvements	-	2,317,169	2,317,169
Debt Service	-	1,182,345	1,182,345
State and Federal Grants	-	517	517
Scholarships	-	21,986	21,986
Student Activities	-	65,887	65,887
Capital Maintenance	-	966,114	966,114
Total Restricted	-	4,760,585	4,760,585
Committed to:			
Underground Storage Tank	11,000	-	11,000
Assigned for:			
Unpaid Obligations	162,816	-	162,816
FY 24 Appropriations	2,108,264	-	2,108,264
Latchkey	15,631	-	15,631
Capital Improvements	-	647,757	647,757
Public School Supprt	70,118	-	70,118
Total Assigned	2,356,829	647,757	3,004,586
Unassigned (Deficit)	4,168,564	(148,966)	4,019,598
Total Fund Balance	$ 6,549,478	$ 5,259,435	$ 11,808,913

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS AND INSURANCE PURCHASING POOL

A. Jointly Governed Organizations

Miami Valley Educational Computer Association - The School District is a participant in the Miami Valley Educational Computer Association (MVECA) which is a computer consortium. MVECA is an association of public-school districts within the boundaries of Clark, Clinton, Fayette, Greene, Madison, Highland, Ross, and Montgomery Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of MVECA consists of seven representatives from the member districts elected by majority vote of the General Assembly, which consists of representatives from the member school districts. The School District paid MVECA $100,599 for services provided during the fiscal year. Financial information can be obtained from Thor Sage, Executive Director, at MVECA at 888 Dayton Street, Suite 102, Yellow Springs, Ohio 45387.

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS AND INSURANCE PURCHASING POOL (continued)

Clark County Family and Children First Council - The Clark County Family and Children First Council (FCFC) is a voluntary association established with the purpose to coordinate and integrate those services within Clark County which are available for families and to establish a comprehensive, coordinated, multi-disciplinary, interagency system for the delivery of such services in order to more effectively meet the needs of families and children.

The Board of Trustees is comprised of representatives of each of the members of the Council, and representatives of those additional entities required to be represented on the Council pursuant to Section 121.37 of the Ohio Revised Code. The school districts in Clark County must appoint a superintendent of one of the schools to represent them on the eighteen-member Board. Currently, the superintendent of the Clark County Educational Service Center serves as this representative. All members are obligated to pay all dues as established by the Council to aid the financing of the operations and programs of the Council. The Clark Shawnee School District did not have any payments to the FCFC during fiscal year 2023. Any member withdrawing from the Council must give one hundred eighty days written notice to the Council after formal action of the member's governing board. To obtain financial information, write to the Clark County Family and Children First Council, Dr. Robert Hill, who serves as President, at 1345 Lagonda Avenue, Springfield, Ohio 45503.

Springfield-Clark Career Technology Center - The Springfield-Clark Career Technology Center (CTC) is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one or two representatives from each of the eight participating school districts' and educational service center's elected boards, which possesses its own budgeting and taxing authority. One member is appointed from the following: Tecumseh Local School District, Greenon Local School District, Northeastern Local School District, Northwestern Local School District, Southeastern Local School District, Clark-Shawnee Local School District, and the Clark County Educational Service Center. Two members are appointed from the Springfield City School District. The School District did not make any financial contributions to the CTC during fiscal year 2023. To obtain financial information, write to the Springfield-Clark Career Technology Center, Julie Wallace, who serves as Treasurer, 1901 Selma Road, Springfield, Ohio 45505-4239.

B. Insurance Purchasing Pool

Southwestern Ohio Educational Purchasing Council - The district participates in the Southwestern Ohio Educational Purchasing Council (SOEPC), an insurance purchasing pool, for workers' compensation and medical insurance. The SOEPC was established under Section 2744.081 of the Ohio Revised Code. SOEPC is an incorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. SOEPC's business and affairs are conducted by a board consisting of seven school administrators, who are elected by the membership each year.

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS AND INSURANCE PURCHASING POOL (continued)

In addition, the cooperative hires attorneys, auditors and actuaries to assist in running the day-to-day program. Gallagher is responsible for the insurance program administration. JWF Specialty Company is responsible for processing claims between SOEPC and its members. Payments to SOEPC are made from the General Fund. During fiscal year 2023, the School District paid $2,996,782 to SOEPC for medical, dental and vision benefits. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Center Drive, Suite 208, Vandalia, OH 45377.

NOTE 16 - SET-ASIDE CALCULATIONS

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 the end of the fiscal year or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end. These amounts must be carried forward and used for the same purposes in future years.

The following cash basis information identifies the changes in the fund balance reserve for capital acquisition during fiscal year 2023.

	Capital Acquistions
Set-aside Reserve Balance as of June 30, 2022	$0
Current Year Set-aside Requirement	383,157
Current Year Offsets - transfer from General Fund	(655,648)
Totals	($272,491)
Set-aside Balances Carried Forward to Future Fiscal Years	$0

The School District had offsets during the fiscal year that reduced the capital acquisitions amounts below zero. This extra amount may not be used to reduce the set-aside requirements in future fiscal years.

NOTE 17– INTERFUND ACTIVITY

During fiscal year 2023, the General Fund transferred $655,648 to the Permanent Improvement Fund to be set aside for future capital improvements or assets. The Permanent Improvement Fund transferred $171,908 to the OFCC Maintenance Fund to provide future maintenance of new building. The General Fund transferred $20,124 to the Food Service Fund to support the lunchroom program. Finally, the Title IV fund transferred $23,028 to the Title I fund.

During fiscal year 2022, the General Fund advanced $90,000 to the Athletic Department and it was repaid during fiscal year 2023. During fiscal year 2023, the General Fund advanced $97,340 to the Athletic Department and it was outstanding at fiscal year-end and is anticipated to be repaid during fiscal year 2024.

NOTE 17– INTERFUND ACTIVITY (continued)

At June 30, 2023, the General fund was owed $69,124, $395, and $1,466 from ESSER, IDEA – Early Childhood fund and Title II-A funds, respectively. These funds had negative cash balance at fiscal year-end. These balances will be repaid early in fiscal year 2024 when grant dollars are received.

NOTE 18 - CONTINGENCIES

Grants

The School District receives financial assistance from federal and State agencies in the form of grants. Disbursing grant funds generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2023.

Foundation Funding

The 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, the net impact of adjustments for fiscal year 2023 foundation funding resulted in a liability to ODE in the amount of $5,013.

NOTE 19 – CONTRACTUAL COMMITMENTS

At June 30, 2023, the School District had the following contractual commitments:

Vendor	Amount	Expended	Balance
SHP Leading Design	$ 3,773,080	$ 3,715,226	$ 57,854
Motz Consulting Engineers, Inc	291,034	220,730	70,304
C&N Contractors, Inc.	664,000	636,887	27,113
Belfor USA, Group Inc.	64,540	-	64,540
Tyler Technologies, Inc.	49,274	8,875	40,399
Rush Truck Centers Ohio	130,432	-	130,432
Heiberger Paving, Inc.	235,719	-	235,719
Leonard Mechanical Services, Inc.	235,750	-	235,750
Clark County Sheriff Dept	70,000	-	70,000
Cengage Learning, Inc.	184,195	-	184,195
CDW LLC	193,275	-	193,275

NOTE 20 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCES AND NET POSITION

For the fiscal year ended June 30, 2023, the School District implemented GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022*.

GASB Statement No. 91 clarifies the definition of conduit debt and provides a single method of reporting these obligations (disclosure only). This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures.

GASB Statement No. 94 addresses the gap in current accounting guidance related to public-private and public-public partnerships (both referred to as PPPs) that do not meet the definition of a service concession arrangement.

GASB Statement No. 96 addresses accounting and financial reporting for subscription-based information technology arrangements (SBITAs), a type of information technology (IT) arrangement (i.e. software licensing). This Statement also defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding subscription liability, provides capitalization criteria, and requires footnote disclosure. The standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

GASB Statement No. 99 addresses a variety of topics to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees.

The School District determined that any contracts covered by GASB Statement No. 96 were insignificant and therefore were not incorporated into these financial statements. The implementation of GASB Statements No. 91, 94 and 99 did not have an effect on the School District's financial statements.

Clark-Shawnee Local 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	0.0744886%	0.0742981%	0.0786047%	0.0764863%
School District's Proportionate Share of the Net Pension Liability	$4,028,923	$2,741,384	$5,199,080	$4,576,309
School District's Covered Employee Payroll	$2,782,571	$2,661,864	$2,563,864	$2,718,585
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	144.79%	102.99%	202.78%	168.33%
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
0.0804469%	0.0783956%	0.0795260%	0.0767176%	0.0742010%	0.0742010%
$4,607,343	$4,683,964	$5,820,833	$4,377,581	$3,755,270	$4,412,495
$2,587,163	$2,489,929	$2,469,893	$2,453,293	$2,177,915	$2,193,699
178.08%	188.12%	235.67%	178.44%	172.43%	201.14%
71.36%	69.50%	62.98%	69.16%	71.70%	65.62%

Clark-Shawnee Local 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	0.0757519430%	0.079099998%	0.079089020%	0.083158970%
School District's Proportionate Share of the Net Pension Liability	$16,832,525	$10,113,646	$19,136,729	$18,390,106
School District's Covered Employee Payroll	$9,859,300	$13,393,721	$13,034,214	$13,645,186
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	170.73%	75.51%	146.82%	134.77%
Plan Fiduciary Net Position as a Percentage Of the Total Pension Liability	78.88%	87.78%	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
0.086242630%	0.08625644%	0.08796015%	0.08687380%	0.08581958%	0.0851958%
$18,962,818	$20,490,402	$29,442,914	$24,009,377	$20,874,295	$23,637,745
$13,371,386	$12,371,736	$11,513,807	$10,104,414	$9,442,885	$9,222,000
141.82%	165.62%	255.72%	237.61%	221.06%	256.32%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

Clark-Shawnee Local School District
Required Supplementary Information
Schedule of School District's Contributions - Pension
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021	2020
Contractually Required Contributions	$444,297	$389,560	$372,661	$358,941
Contributions in Relation to the Contractually Required Contribution	(444,297)	(389,560)	(372,661)	(358,941)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered-Employee Payroll	$3,173,550	$2,782,571	$2,661,864	$2,563,864
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
$367,009	$349,267	$348,590	$345,785	$323,344	$301,859
(367,009)	(349,267)	(348,590)	(345,785)	(323,344)	(301,859)
$0	$0	$0	$0	$0	$0
$2,718,585	$2,587,163	$2,489,929	$2,469,893	$2,453,293	$2,177,915
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

Clark-Shawnee Local School District
Required Supplementary Information
Schedule of School District's Contributions - Pension
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021	2020
Contractually Required Contributions	$1,417,615	$1,380,302	$1,875,121	$1,824,790
Contributions in Relation to the Contractually Required Contribution	(1,417,615)	(1,380,302)	(1,875,121)	(1,824,790)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered-Employee Payroll	$10,125,821	$9,859,300	$13,393,721	$13,034,214
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
$1,910,326	$1,871,994	$1,732,043	$1,611,933	$1,414,618	$1,227,575
(1,910,326)	(1,871,994)	(1,732,043)	(1,611,933)	(1,414,618)	(1,227,575)
$0	$0	$0	$0	$0	$0
$13,645,186	$13,371,386	$12,371,736	$11,513,807	$10,104,414	$9,442,885
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

Clark-Shawnee Local 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	2020
School District's Proportion of the Net OPEB Liability	0.07622230%	0.07698530%	0.08104860%	0.07857760%
School District's Proportionate Share of the Net OPEB Liability	$1,070,169	$1,457,010	$1,761,451	$1,976,061
School District's Covered Employee Payroll	$2,782,571	$2,661,864	$2,563,864	$2,718,585
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	38.46%	54.74%	68.70%	72.69%
Plan Fiduciary Net Position as a Percentage Of the Total OPEB Liability	30.34%	24.08%	18.17%	15.57%

(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

2019	2018	2017
0.08126770%	0.07896850%	0.07896850%
$2,254,586	$2,119,307	$2,250,894
$2,587,163	$2,489,929	$2,469,893
87.15%	85.12%	91.13%
13.57%	12.46%	11.49%

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

	2023	2022	2021	2020
School District's Proportion of the Net OPEB Liability/(Asset)	0.075719430%	0.079099998%	0.07908902%	0.08315897%
School District's Proportionate Share of the Net OPEB Liability/(Asset)	($1,960,628)	($1,667,759)	($1,389,988)	($1,377,312)
School District's Covered Employee Payroll	$9,859,300	$13,393,721	$13,034,214	$13,645,186
School District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered-Employee Payroll	-19.89%	-12.45%	-10.66%	-10.09%
Plan Fiduciary Net Position as a Percentage Of the Total OPEB Liability/(Asset)	230.73%	174.73%	182.10%	174.70%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

2019	2018	2017
0.08624263%	0.08625644%	0.08625644%
($1,385,831)	$3,365,408	$4,613,017
$13,371,386	$12,371,736	$11,513,807
-10.36%	27.20%	40.07%
176.00%	47.10%	37.30%

Clark-Shawnee Local School District
Required Supplementary Information
Schedule of School District's Contributions - OPEB
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021	2020
Contractually Required Contributions (1)	$61,386	$50,069	$51,184	$49,611
Contributions in Relation to the Contractually Required Contribution	(61,386)	(50,069)	(51,184)	(49,611)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered-Employee Payroll	$3,173,550	$2,782,571	$2,661,864	$2,563,864
Contributions as a Percentage of Covered-Employee Payroll	1.93%	1.80%	1.92%	1.94%

(1) Includes Surcharge

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
$62,464	$55,305	$40,334	$38,862	$56,040	$38,957
(62,464)	(55,305)	(40,334)	(38,862)	(56,040)	(38,957)
$0	$0	$0	$0	$0	$0
$2,718,585	$2,587,163	$2,489,929	$2,469,893	$2,453,293	$2,177,915
2.30%	2.14%	1.62%	1.57%	2.28%	1.79%

Clark-Shawnee Local School District

Required Supplementary Information

Schedule of School District's Contributions - OPEB

State Teachers Retirement System of Ohio

Last Ten Fiscal Years

	2023	2022	2021	2020
Contractually Required Contributions	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	-	-	-	-
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered-Employee Payroll	$10,125,821	$9,859,300	$13,393,721	$13,034,214
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
$0	$0	$0	$0	$0	$94,429
-	-	-	-	-	(94,429)
$0	$0	$0	$0	$0	$0
$13,645,186	$13,371,386	$12,371,736	$11,513,807	$10,104,414	$9,442,885
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

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Notes to Pension Information - SERS

Changes of Benefit Terms

For measurement period 2017, the COLA was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.50% with a floor of 0.0% beginning January 1, 2018. In addition, with the authority granted to the Board under Ohio House Bill 49, the Board enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

For measurement period 2018, with the authority granted to the Board under Ohio Senate Bill 8, the Board enacted a three- year COLA delay for future benefit recipients commencing on or after April 1, 2018.

Changes of Assumptions

For measurement period 2016, the assumed rate of inflation was reduced from 3.25% to 3.00%, the payroll growth assumption was reduced from 4.00% to 3.50%, the assumed real wage growth was reduced from 0.75% to 0.50%, the rates of withdrawal, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement period 2021, the assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the cost-of-living adjustments were reduced from 2.50% to 2.00%, the discount rate was reduced from 7.50% to 7.00%, the rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries and disabled members were updated.

For measurement period 2022, the cost-of-living adjustments remained unchanged at 2.00%.

Notes to OPEB Information - SERS

Changes of Benefit Terms

None noted.

Changes of Assumptions

For measurement period 2016, the assumed rate of inflation was reduced from 3.25% to 3.00%, the payroll growth assumption was reduced from 4.00% to 3.50%, the assumed real wage growth was reduced from 0.75% to 0.50%, the rates of withdrawal, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement period 2021, the assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the discount rate was reduced from 2.63% to 2.27%, the investment rate of return was reduced from 7.5% to 7%, the rates of withdrawal, retirement, and disability were updated to reflect recent experience, and mortality rates among active members, service retirees and beneficiaries and disabled members were updated.

For measurement period 2022, the discount rate was increased from 2.27% to 4.08% and the health care trend rates were updated.

Notes to Pension Information – STRS

Changes of Benefit Terms

For measurement period 2017, the COLA was reduced to zero.

Changes of Assumptions

For the measurement period 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2016. Significant changes included a reduction of the discount rate from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation. The health and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

For measurement period 2021, the discount rate was adjusted to 7.00% from 7.45%.

For measurement period 2022, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

Notes to OPEB Information - STRS

Changes of Benefit Terms

For the measurement period 2017, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

For the measurement period 2018, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% 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 the measurement period 2019, there was no change to the claims cost process. Claims 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% to 1.984% 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% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

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

For measurement year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.10%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For measurement year 2022, salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age-based to service-based.

Changes of Assumptions:

For measurement year 2017, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)***,** and the long-term expected rate of return was reduced from 7.75% to 7.45%. 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 trends were modified along with the portion of rebated prescription drug costs.

For measurement year 2018, the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74. Valuation year per capita health care costs were updated.

For measurement year 2021, the discount rate was adjusted to 7.00% from 7.45%.

For measurement year 2022, healthcare trends were updated to reflect emerging claims and recoveries experience.

CLARK-SHAWNEE LOCAL SCHOOL DISTRICT
CLARK COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**(1) Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education			
COVID-19 Pandemic EBT Administrative Costs	10.649	N/A	$ 628
Child Nutrition Cluster:			
School Breakfast Program:	10.553	N/A	280,462
National School Lunch Program:			
Cash Assistance:			
National School Lunch Program	10.555	N/A	589,322
Noncash Assistance:			
National School Lunch Program	10.555	N/A	46,117
Total National School Lunch Program			635,439
Total Child Nutrition Cluster			915,901
Total U.S. Department of Agriculture			**916,529**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education			
Title I Grants to Local Educational Agencies	84.010	N/A	395,916
Special Education Cluster (IDEA)			
Special Education Grants to States:			
Special Education Grants to States	84.027		389,671
COVID-19 Special Education Grants to States	84.027X	N/A	15,245
Total Special Education Grants to States			404,916
Special Education Preschool Grants:			
Special Education Preschool Grants:	84.173		10,913
COVID-19 Special Education Preschool Grants	84.173X	N/A	3,306
Total Special Education Preschool Grants			14,219
Total Special Education Cluster (IDEA)			419,135
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	N/A	50,739
COVID-19 Education Stabilization Fund:			
COVID-19 Education Stabilization Fund	84.425D	N/A	592,313
COVID-19 Education Stabilization Fund	84.425U	N/A	579,112
COVID-19 Education Stabilization Fund	84.425W	N/A	776
Total COVID-19 Education Stabilization Fund			1,172,201
Total U.S. Department of Education			**2,037,991**
Total Expenditures of Federal Awards			**$ 2,954,520**

(1) There were no amounts passed through to subrecipients

The accompanying notes are an integral part of this schedule.

CLARK-SHAWNEE LOCAL SCHOOL DISTRICT
CLARK COUNTY

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Clark-Shawnee Local School District (the School District's) under programs of the federal government for the fiscal 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 School District, it is not intended to and does not present the financial position or change in net position of the School 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 Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - TRANSFERS BETWEEN FEDERAL PROGRAMS

During fiscal year 2023, the School District made allowable transfers of $23,028 from the Student Support and Academic Enrichment (AL #84.424) program to the Title I Grants to Local Educational Agencies (AL #84.010) program. The amount transferred to the Title I Grants to Local Educational Agencies program is included as Title I Grants to Local Educational Agencies expenditures when disbursed. The entire amount drawn for the program during fiscal year 2023 was transferred to the Title I Grants to Local Educational Agencies program.

OHIO AUDITOR OF STATE
KEITH FABER

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

Clark-Shawnee Local School District
Clark County
3680 Selma Road
Springfield, Ohio 45502

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Clark-Shawnee Local School District, Clark County, (the School District) as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated January 24, 2024.

Report on Internal Control Over Financial Reporting

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

Keith Faber
Auditor of State
Columbus, Ohio

January 24, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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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

Clark-Shawnee Local School District
Clark County
3680 Selma Road
Springfield, Ohio 45502

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Clark-Shawnee Local School District's, Clark County, (the School 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 Clark-Shawnee Local School District's major federal program for the fiscal year ended June 30, 2023. Clark-Shawnee Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Clark-Shawnee Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal 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 School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

January 24, 2024

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CLARK-SHAWNEE LOCAL SCHOOL DISTRICT
CLARK COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	COVID-19 Education Stabilization Fund (AL #84.425D, 84.425U, 84.425W)
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE
KEITH FABER

CLARK-SHAWNEE LOCAL SCHOOL DISTRICT

CLARK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 2/8/2024

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