OHIO AUDITOR OF STATE
KEITH FABER

CAMPBELL CITY SCHOOL DISTRICT
MAHONING COUNTY
JUNE 30, 2023

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Campbell City School District
Mahoning County
280 Sixth Street
Campbell, Ohio 44405

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Campbell City School District, Mahoning County, Ohio (the School District), as of and for the 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, each major fund, and the aggregate remaining fund information of the Campbell City School District, Mahoning County, Ohio as of June 30, 2023, and the respective changes in financial position thereof and the respective budgetary comparison for the General and Elementary and Secondary School Emergency Relief funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the 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 Federal Awards Receipts and Expenditures is required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is 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 Federal Awards Receipts and Expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2024, on our consideration of the 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

February 28, 2024

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

Financial Highlights

- Net position increased in fiscal year 2023 due mainly to (1) an increase in capital assets resulting from current year additions outpacing annual depreciation/amortization, (2) a reduction in long-term debt obligations attributable to the continued pay-down of debt and (3) to changes in the net OPEB asset/liability.

- The School District had capital asset additions across every category of assets except for land and intangible right to use - equipment. Some of the major additions included construction in progress related to the Whole Child Whole Family Center at the CLWCC, parking lot repaving, new boilers, security camera system upgrades and a new school bus.

- Total program expenses increased in fiscal year 2023 mainly as a result of changes in the in the net pension liability and the associated deferred outflows and deferred inflows.

Overview of the Financial Statements

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

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

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

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

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

Fund Financial Statements A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like the State and local governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. These fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the elementary and secondary school emergency relief (ESSER) special revenue fund.

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

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

Government-wide Financial Analysis

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

Table 1
Net Position
Governmental Activities

	2023	2022	Change
Assets			
Current and Other Assets	$12,717,927	$12,714,184	$3,743
Net OPEB Asset	1,571,339	1,253,738	317,601
Capital Assets, Net	42,723,854	39,900,408	2,823,446
Total Assets	57,013,120	53,868,330	3,144,790
Deferred Outflows of Resources			
Pension	4,393,276	4,471,684	(78,408)
OPEB	610,501	769,088	(158,587)
Total Deferred Outflows of Resources	$5,003,777	$5,240,772	($236,995)

Table 1
Net Position (continued)
Governmental Activities

	2023	2022	Change
Liabilities			
Current Liabilities	$3,510,859	$3,409,155	($101,704)
Long-Term Liabilities:			
Due Within One Year	899,000	1,304,778	405,778
Due in More Than One Year:			
Net Pension Liability	17,612,413	10,649,192	(6,963,221)
Net OPEB Liability	1,096,228	1,613,518	517,290
Other Amounts	8,183,747	8,928,790	745,043
Total Liabilities	31,302,247	25,905,433	(5,396,814)
Deferred Inflows of Resources			
Property Taxes	2,153,686	2,264,444	110,758
Lease	544,468	190,684	(353,784)
Pension	1,765,425	8,370,126	6,604,701
OPEB	2,699,239	2,392,426	(306,813)
Total Deferred Inflows of Resources	7,162,818	13,217,680	6,054,862
Net Position			
Net Investment in Capital Assets	34,312,406	30,509,488	3,802,918
Restricted for:			
Capital Projects	9,654	9,904	(250)
Debt Service	0	430,655	(430,655)
OPEB Plans	356,515	82,177	274,338
Other Purposes	1,225,726	1,395,033	(169,307)
Unrestricted (Deficit)	(12,352,469)	(12,441,268)	88,799
Total Net Position	$23,551,832	$19,985,989	$3,565,843

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

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the School District, total assets and deferred outflows of resources were greater than total liabilities and deferred inflows of resources by $23,551,832 in fiscal year 2023 and $19,985,989 in fiscal year 2022.

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

Capital assets increased due to current year additions outpacing annual depreciation/amortization. Long-term liabilities increased significantly during fiscal year 2023 due mainly to an increase in the net pension liability. As indicated previously, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension and net OPEB liabilities. The increase in long-term liabilities was partially offset by a reduction in long-term debt obligations attributable to annual debt payments.

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

Table 2
Changes in Net Position
Governmental Activities

	2023	2022	Change
Program Revenues			
Charges for Services and Sales	$473,144	$387,235	$85,909
Operating Grants and Contributions	8,177,148	6,417,172	1,759,976
Total Program Revenues	8,650,292	6,804,407	1,845,885
General Revenues			
Property Taxes	2,142,090	2,256,852	(114,762)
Grants and Entitlements	14,663,000	13,794,944	868,056
Unrestricted Contributions	20,721	18,350	2,371
Investment Earnings/Interest	23,903	(101,775)	125,678
Miscellaneous	68,616	162,026	(93,410)
Total General Revenues	16,918,330	16,130,397	787,933
Total Revenues	$25,568,622	$22,934,804	$2,633,818

Table 2
Changes in Net Position (continued)
Governmental Activities

	2023	2022	Change
Program Expenses			
Instruction:			
Regular	$8,390,468	$7,344,057	($1,046,411)
Special	3,925,943	3,475,766	(450,177)
Vocational	88,125	88,022	(103)
Student Intervention Services	36,920	70,579	33,659
Support Services:			
Pupil	938,740	991,747	53,007
Instructional Staff	401,731	441,957	40,226
Board of Education	45,121	45,219	98
Administration	1,896,163	1,870,931	(25,232)
Fiscal	450,033	447,636	(2,397)
Business	163,742	158,160	(5,582)
Operation and Maintenance of Plant	2,694,944	2,549,781	(145,163)
Pupil Transportation	573,725	503,864	(69,861)
Central	395,447	308,399	(87,048)
Operation of Non-Instructional Services	86,735	57,295	(29,440)
Operation of Food Services	1,065,236	1,016,457	(48,779)
Extracurricular Activities	781,143	766,335	(14,808)
Interest	68,563	85,113	16,550
Total Program Expenses	22,002,779	20,221,318	(1,781,461)
Change in Net Position	3,565,843	2,713,486	852,357
Net Position Beginning of Year	19,985,989	17,272,503	2,713,486
Net Position End of Year	$23,551,832	$19,985,989	$3,565,843

Governmental Activities

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

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

Program revenues increased for governmental activities in fiscal year 2023. Charges for services revenue went up due to increases in wellness center memberships/rentals as well as charges for services related to food service. Operating grants increased due mainly to an increase in ESSER funding. General revenues increased in fiscal year 2023 resulting mainly from an increase in State Foundation funding.

Instruction composes the most significant portion of governmental program expenses. Program expenses increased significantly due to changes in the net pension and net OPEB liabilities. Program expenses related to these liabilities were a negative ($1,333,353) in fiscal year 2022 versus $67,437 in fiscal year 2023.

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 and Net Cost of Program Services
Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Instruction	$12,441,456	$7,444,232	$10,978,424	$6,928,601
Support Services:				
Pupil and Instructional Staff	1,340,471	855,939	1,433,704	771,459
Board of Education and Administration	1,941,284	1,676,031	1,916,150	1,630,012
Fiscal and Business	613,775	613,775	605,796	599,958
Operation and Maintenance of Plant	2,694,944	1,312,370	2,549,781	2,187,850
Pupil Transportation	573,725	362,125	503,864	399,645
Central	395,447	372,017	308,399	261,982
Operation of Non-Instructional Services	86,735	60,682	57,295	30,766
Operation of Food Service	1,065,236	(35,081)	1,016,457	(83,818)
Extracurricular Activities	781,143	621,834	766,335	605,343
Interest	68,563	68,563	85,113	85,113
Total Expenses	$22,002,779	$13,352,487	$20,221,318	$13,416,911

The dependence upon general revenues for governmental activities is apparent from Table 3. The majority of instructional activities are supported through property taxes and other general revenues.

Financial Analysis of the School District's Funds

Governmental Funds Information about the School District's major funds begins with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. The general fund balance increased primarily due to an increase in intergovernmental revenues related to State Foundation. The elementary and secondary school emergency relief fund had a decrease in fund balance due to the timing of grant monies.

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 fund to be budgeted is the main operating fund of the School District, the general fund.

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

For the general fund, the final budget basis revenue estimate was higher than the original budget estimate. The change was attributed mainly to an increase in intergovernmental revenues related to State Foundation.

The final budget appropriations were lower than the original budget appropriations of the general fund. The change was attributed to decreases in estimates for support services, mainly operation and maintenance, as the School District's current year requirements became more apparent.

Capital Assets

Capital assets increased during fiscal year 2023 due to current year additions outpacing annual depreciation/amortization. Current year additions included construction in progress, land improvements, building improvements, the purchase of various equipment and a new trailer and school bus. The School District continues its ongoing commitment to maintaining and improving its capital assets. More detailed information is presented in Note 11 of the notes to the basic financial statements.

Debt Obligations

Debt obligations outstanding as of June 30, 2023, included energy conservation improvement bonds, qualified zone academy bonds, certificates of participation, financed purchases and leases payable. The energy conservation bonds were for energy improvements to various School District buildings. The qualified zone academy bonds were used for the development of the Community Literacy Workforce and Cultural Center. The certificates of participation were issued for the purpose of acquisition, construction, equipping, installation and rehabilitation of building improvements. The School District's outstanding financed purchase agreement is for a Ford Transit Van. The lease payable is for copiers. The School District's overall debt margin was $6,734,888 with an unvoted debt margin of $74,932 at June 30, 2023. For more information about the School District's debt obligations, see Note 15 to the basic financial statements.

School District Outlook

The School District understands the importance of whole child education as identified in the State's strategic plan recognizing whole child education, wrap around services, career pathways with valued partnerships and their significant involvement.

The Community Literacy Workforce and Cultural Center (CLWCC) project is focused on building and sustaining a regional economic ecosystem focused on aligning and leveraging resources to improve education, knowledge, skills and health of residents of the Mahoning Valley and beyond.

The CLWCC project, led by the School District, in significant and strategic partnership with Stark State College (SSC), Eastern Gateway Community College (EGCC), State of Ohio, Public Library of Youngstown and Mahoning County (PLYMC), the City of Campbell, Southwoods Health, Youngstown-Warren Chamber of Commerce, United Way of Youngstown and the Mahoning Valley, and many others, will leverage existing and emerging public-private regional and community partnerships to foster a shared-services approach and facility to be used 12 months a year, daily, evenings and weekends. This year-round collaborative ecosystem will align resources to expand access to higher education and adult workforce/industry training offerings through Stark State College (SSC) and other higher education organizations and community and industry partners, to impact the region and statewide economic growth through a comprehensive science, technology, engineering and mathematics (STEM) strategy. The geographic site location greatly expands the project's impact to attract candidates from both Ohio and Pennsylvania, provide training and increase and retain the skilled Ohio tax-paying workforce.

The Whole Child/Whole Family Service Center (WCWF) represents the culmination of Phase 3 in the development of the comprehensive Community Literacy Workforce and Cultural Center (CLWCC). This center is dedicated to delivering wrap-around services with a positive and enduring impact on the greater Mahoning Valley region. Anticipated for completion in the late summer of 2023, the WCWF introduces dedicated space for an exciting new partnership with Akron Children's Hospital (ACH). This phase of the project is poised to significantly enhance the provision of specialized mental health services and pediatric care offerings.

Superintendent Matthew Bowen expresses enthusiasm about expanding the collaborative and shared service delivery model. He notes that this expansion will have a lasting effect on families across Mahoning County and the broader region of northeast Ohio.

Recognizing the growing demand for pediatric mental health services and comprehensive wrap-around support, the Ohio Department of Education has underscored the importance of each partner's role in meeting these needs. Ohio's Whole Child Framework provides a well-defined blueprint for addressing the holistic needs of the child.

Through teamwork, dedication and collaboration, we are committed to reaching the potential of our students' individual needs. We will continue to engage our community in creating a shared vision that will guide us in our decisions; decisions which have led to improvements to the instructional offerings. Such improvements have generated revenues through public and private partners with additional use of restricted Disadvantaged Pupil Impact Aid and Student Wellness and Success funding.

We are very proud of the accomplishments of our students and staff and acknowledge we must always continue to work hard in order to provide students the best opportunities for their futures. Together with the involvement of all members of this prideful region, supportive alumni and staff, we will accomplish our goals for the children we serve while understanding the necessity to be fiscally responsible.

Contacting the School District's Financial Management Personnel

This financial report is designed to provide our citizen's, 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 any questions about this report or need additional financial information contact Nora Montanez, Treasurer, Campbell City School District, 280 Sixth Street, Campbell, Ohio 44405.

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Basic Financial Statements

Campbell City School District

Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$7,925,106
Accounts Receivable	1,259
Accrued Interest Receivable	11,815
Intergovernmental Receivable	1,000,460
Prepaid Items	20,162
Inventory Held for Resale	8,221
Materials and Supplies Inventory	2,165
Property Taxes Receivable	3,204,271
Lease Receivable	544,468
Net OPEB Asset (See Note 14)	1,571,339
Nondepreciable Capital Assets	3,542,986
Depreciable Capital Assets, Net	39,180,868
Total Assets	57,013,120
Deferred Outflows of Resources	
Pension	4,393,276
OPEB	610,501
Total Deferred Outflows of Resources	5,003,777
Liabilities	
Accounts Payable	154,751
Accrued Wages and Benefits	1,875,988
Contracts Payable	181,705
Intergovernmental Payable	401,751
Retainage Payable	101,233
Vacation Benefits Payable	115,805
Accrued Interest Payable	5,579
Unearned Revenue	674,047
Long-Term Liabilities:	
Due Within One Year	899,000
Due in More Than One Year:	
Net Pension Liability (See Note 13)	17,612,413
Net OPEB Liability (See Note 14)	1,096,228
Other Amounts	8,183,747
Total Liabilities	31,302,247
Deferred Inflows of Resources	
Property Taxes	2,153,686
Lease	544,468
Pension	1,765,425
OPEB	2,699,239
Total Deferred Inflows of Resources	7,162,818
Net Position	
Net Investment in Capital Assets	34,312,406
Restricted for:	
Capital Projects	9,654
Food Service	496,494
Classroom Facilities Maintenance	287,472
Athletics	13,108
OPEB Plans	356,515
Other Purposes	428,652
Unrestricted (Deficit)	(12,352,469)
Total Net Position	$23,551,832

See accompanying notes to the basic financial statements

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

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular	$8,390,468	$25,196	$3,022,455	($5,342,817)
Special	3,925,943	0	1,878,005	(2,047,938)
Vocational	88,125	0	35,006	(53,119)
Student Intervention Services	36,920	0	36,562	(358)
Support Services:				
Pupil	938,740	0	255,541	(683,199)
Instructional Staff	401,731	0	228,991	(172,740)
Board of Education	45,121	0	0	(45,121)
Administration	1,896,163	0	265,253	(1,630,910)
Fiscal	450,033	0	0	(450,033)
Business	163,742	0	0	(163,742)
Operation and Maintenance of Plant	2,694,944	195,191	1,187,383	(1,312,370)
Pupil Transportation	573,725	0	211,600	(362,125)
Central	395,447	0	23,430	(372,017)
Operation of Non-Instructional Services	86,735	0	26,053	(60,682)
Operation of Food Services	1,065,236	104,679	995,638	35,081
Extracurricular Activities	781,143	148,078	11,231	(621,834)
Interest	68,563	0	0	(68,563)
Totals	$22,002,779	$473,144	$8,177,148	(13,352,487)

General Revenues	
Property Taxes Levied for:	
General Purposes	2,142,090
Grants and Entitlements not Restricted to Specific Programs	14,663,000
Unrestricted Contributions	20,721
Investment Earnings/Interest	23,903
Miscellaneous	68,616
Total General Revenues	16,918,330
Change in Net Position	3,565,843
Net Position Beginning of Year	19,985,989
Net Position End of Year	$23,551,832

See accompanying notes to the basic financial statements

Campbell City School District

Balance Sheet

Governmental Funds

June 30, 2023

	General	Elementary and Secondary School Emergency Relief	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$6,030,557	$102,319	$1,792,230	$7,925,106
Accounts Receivable	1,259	0	0	1,259
Accrued Interest Receivable	11,815	0	0	11,815
Intergovernmental Receivable	145,024	417,984	437,452	1,000,460
Interfund Receivable	777,675	0	0	777,675
Prepaid Items	20,162	0	0	20,162
Inventory Held for Resale	0	0	8,221	8,221
Materials and Supplies Inventory	0	0	2,165	2,165
Property Taxes Receivable	3,204,271	0	0	3,204,271
Lease Receivable	544,468	0	0	544,468
Total Assets	$10,735,231	$520,303	$2,240,068	$13,495,602
Liabilities				
Accounts Payable	$119,576	$10,079	$25,096	$154,751
Accrued Wages and Benefits	1,414,230	235,272	226,486	1,875,988
Contracts Payable	0	0	181,705	181,705
Interfund Payable	0	269,690	507,985	777,675
Intergovernmental Payable	383,447	5,262	13,042	401,751
Retainage Payable	0	0	101,233	101,233
Unearned Revenue	674,047	0	0	674,047
Total Liabilities	2,591,300	520,303	1,055,547	4,167,150
Deferred Inflows of Resources				
Property Taxes	2,153,686	0	0	2,153,686
Lease	544,468	0	0	544,468
Unavailable Revenue	1,017,520	406,306	255,088	1,678,914
Total Deferred Inflows of Resources	3,715,674	406,306	255,088	4,377,068
Fund Balances				
Nonspendable	20,162	0	2,165	22,327
Restricted	417	0	1,234,042	1,234,459
Committed	115,932	0	0	115,932
Assigned	740,062	0	0	740,062
Unassigned (Deficit)	3,551,684	(406,306)	(306,774)	2,838,604
Total Fund Balances (Deficit)	4,428,257	(406,306)	929,433	4,951,384
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$10,735,231	$520,303	$2,240,068	$13,495,602

See accompanying notes to the basic financial statements

Campbell City School District

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

Total Governmental Fund Balances		$4,951,384
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.		42,723,854
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Delinquent Property Taxes	1,006,585	
Intergovernmental	661,394	
Tuition and Fees	10,935	
Total		1,678,914
Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore is not reported in the funds.		(115,805)
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due.		(5,579)
The net OPEB asset and net pension/OPEB liabilities are not due and payable in the current period; therefore, the asset, liabilities and related deferred inflows/outflows are not reported in the funds:		
Net OPEB Asset	1,571,339	
Deferred Outflows - Pension	4,393,276	
Deferred Outflows - OPEB	610,501	
Net Pension Liability	(17,612,413)	
Net OPEB Liability	(1,096,228)	
Deferred Inflows - Pension	(1,765,425)	
Deferred Inflows - OPEB	(2,699,239)	
Total		(16,598,189)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(6,292,941)	
Certificates of Participation	(1,844,415)	
Financed Purchases Payable	(7,316)	
Lease Payable	(46,194)	
Compensated Absences	(891,881)	
Total		(9,082,747)
Net Position of Governmental Activities		$23,551,832

See accompanying notes to the basic financial statements

Campbell City School District

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2023

	General	Elementary and Secondary School Emergency Relief	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	$2,182,135	$0	$93,122	$2,275,257
Intergovernmental	15,527,761	3,831,234	3,516,081	22,875,076
Investment Earnings/Interest	23,878	0	25	23,903
Tuition and Fees	38,868	0	0	38,868
Extracurricular Activities	7,985	0	140,093	148,078
Contributions and Donations	20,721	0	10,998	31,719
Charges for Services	0	0	104,679	104,679
Lease	20,683	0	0	20,683
Rentals	174,508	0	0	174,508
Miscellaneous	63,830	0	4,786	68,616
Total Revenues	18,060,369	3,831,234	3,869,784	25,761,387
Expenditures				
Current:				
Instruction:				
Regular	5,488,578	1,830,611	274,722	7,593,911
Special	2,703,753	24,660	1,045,756	3,774,169
Vocational	83,342	1,015	0	84,357
Student Intervention Services	10,349	19,864	6,707	36,920
Support Services:				
Pupil	742,326	121,605	72,771	936,702
Instructional Staff	84,895	28,223	180,817	293,935
Board of Education	37,869	0	0	37,869
Administration	1,539,988	26,763	241,822	1,808,573
Fiscal	438,024	0	4,331	442,355
Business	135,815	0	0	135,815
Operation and Maintenance of Plant	2,486,056	473,758	375,837	3,335,651
Pupil Transportation	458,342	100,475	32,921	591,738
Central	371,386	0	23,430	394,816
Operation of Non-Instructional Services	35,846	1,012	28,427	65,285
Operation of Food Services	14,588	6,862	944,117	965,567
Extracurricular Activities	337,191	1,834	162,339	501,364
Capital Outlay	0	1,326,191	2,265,367	3,591,558
Debt Service:				
Principal Retirement	255,461	0	990,000	1,245,461
Interest	10,096	0	72,114	82,210
Total Expenditures	15,233,905	3,962,873	6,721,478	25,918,256
Excess of Revenues Over (Under) Expenditures	2,826,464	(131,639)	(2,851,694)	(156,869)
Other Financing Sources (Uses)				
Transfers In	0	0	1,883,820	1,883,820
Transfers Out	(1,593,410)	0	(290,410)	(1,883,820)
Total Other Financing Sources (Uses)	(1,593,410)	0	1,593,410	0
Net Change in Fund Balances	1,233,054	(131,639)	(1,258,284)	(156,869)
Fund Balances (Deficit) Beginning of Year	3,195,203	(274,667)	2,187,717	5,108,253
Fund Balances (Deficit) End of Year	$4,428,257	($406,306)	$929,433	$4,951,384

See accompanying notes to the basic financial statements

Campbell City School District

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

Net Change in Fund Balances - Total Governmental Funds		($156,869)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlay exceeded depreciation/amortization in the current period:		
Capital Asset Additions	4,345,376	
Current Year Depreciation/Amortization	(1,521,930)	
Total		2,823,446
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:		
Delinquent Property Taxes	(133,167)	
Intergovernmental	(45,926)	
Tuition and Fees	(13,672)	
Total		(192,765)
Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		1,245,461
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	1,571,343	
OPEB	55,082	
Total		1,626,425
Except for amounts reported as deferred outflows/inflows, changes in the net pension/OPEB asset or liability are reported as pension/OPEB expense in the statement of activities:		
Pension	(2,008,271)	
OPEB	314,409	
Total		(1,693,862)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Accrued Interest	1,222	
Amortization of Premium	12,425	
Total		13,647
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Vacation Benefits Payable	7,425	
Compensated Absences	(107,065)	
Total		(99,640)
Change in Net Position of Governmental Activities		$3,565,843

See accompanying notes to the basic financial statements

Campbell City School District

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

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Property Taxes	$2,076,831	$2,197,686	$2,197,686	$0
Intergovernmental	14,555,004	15,401,986	15,401,986	0
Interest	51,692	62,219	62,219	0
Tuition and Fees	35,748	37,828	37,828	0
Contributions and Donations	19,219	20,338	20,338	0
Rentals	12,543	13,273	13,273	0
Miscellaneous	18,399	19,480	19,480	0
Total Revenues	16,769,436	17,752,810	17,752,810	0
Expenditures				
Current:				
Instruction:				
Regular	4,075,209	5,564,310	5,564,310	0
Special	2,340,723	2,647,913	2,647,913	0
Vocational	111,419	82,981	82,981	0
Student Intervention Services	30,082	29,287	29,287	0
Support Services:				
Pupil	796,550	779,462	779,462	0
Instructional Staff	80,702	90,035	90,035	0
Board of Education	40,627	39,742	39,742	0
Administration	1,131,970	1,592,976	1,592,976	0
Fiscal	298,438	438,170	438,170	0
Business	81,489	145,351	145,351	0
Operation and Maintenance of Plant	6,081,439	2,580,537	2,580,537	0
Pupil Transportation	335,045	599,588	599,588	0
Central	230,227	368,010	368,010	0
Operation of Non-Instructional Services	24,484	10,009	10,009	0
Operation of Food Services	14,220	14,588	14,588	0
Extracurricular Activities	213,489	332,271	332,271	0
Debt Service:				
Principal Retirement	255,461	255,461	255,461	0
Interest	10,096	10,096	10,096	0
Total Expenditures	16,151,670	15,580,787	15,580,787	0
Excess of Revenues Over (Under) Expenditures	617,766	2,172,023	2,172,023	0
Other Financing Sources (Uses)				
Advances In	792,669	792,669	792,669	0
Advances Out	(735,229)	(735,229)	(735,229)	0
Transfers Out	(1,411,300)	(1,593,410)	(1,593,410)	0
Total Other Financing Sources (Uses)	(1,353,860)	(1,535,970)	(1,535,970)	0
Net Change in Fund Balance	(736,094)	636,053	636,053	0
Fund Balance Beginning of Year	4,608,401	4,608,401	4,608,401	0
Prior Year Encumbrances Appropriated	365,543	365,543	365,543	0
Fund Balance End of Year	$4,237,850	$5,609,997	$5,609,997	$0

See accompanying notes to the basic financial statements

Campbell City School District

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Elementary and Secondary School Emergency Relief Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$6,556,012	$3,819,556	$3,819,556	$0
Expenditures				
Current:				
Instruction:				
Regular	829,712	1,837,386	1,837,386	0
Special	15,319	25,412	25,412	0
Vocational	637	1,015	1,015	0
Student Intervention Services	12,459	20,081	20,081	0
Support Services:				
Pupil	58,255	179,239	179,239	0
Instructional Staff	37,178	28,223	28,223	0
Administration	30,707	27,601	27,601	0
Operation and Maintenance of Plant	328,920	511,077	511,077	0
Pupil Transportation	4,434	100,475	100,475	0
Operation of Non-Instructional Services	302	11,989	11,989	0
Operation of Food Services	10,308	9,160	9,160	0
Extracurricular Activities	1,150	1,834	1,834	0
Capital Outlay	831,796	1,326,191	1,326,191	0
Total Expenditures	2,161,177	4,079,683	4,079,683	0
Excess of Revenues Over (Under) Expenditures	4,394,835	(260,127)	(260,127)	0
Other Financing Sources (Uses)				
Advances In	269,690	269,690	269,690	0
Advances Out	(237,244)	(237,244)	(237,244)	0
Total Other Financing Sources (Uses)	32,446	32,446	32,446	0
Net Change in Fund Balance	4,427,281	(227,681)	(227,681)	0
Fund Balance Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	227,681	227,681	227,681	0
Fund Balance End of Year	$4,654,962	$0	$0	$0

See accompanying notes to the basic financial statements

Note 1 – Description of the School District

Campbell City School District (the School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by State and federal agencies. The Board of Education controls the School District's 3 instructional/support facilities staffed by 117 certified employees and 92 classified employees who provide services to 1,097 students and other community members.

Reporting Entity

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

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

The School District is associated with two jointly governed organizations and two shared risk pools. These organizations are the Area Cooperative Computerized Educational Service System Council of Governments, Mahoning County Career and Technical Center, the Mahoning County School Employees Insurance Consortium and the Schools of Ohio Risk Sharing Authority. These organizations are presented in Notes 17 and 18 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

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. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, has no business-type activities.

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

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

Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The School District has no proprietary funds or fiduciary 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 of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the School District's major governmental funds:

> ***General Fund*** The general fund is the operating fund of the School District and is used to account and report for all financial resources except those required to be accounted for and reported in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> ***Elementary and Secondary School Emergency Relief Fund*** The elementary and secondary school emergency relief fund is used to account for and report restricted emergency COVID-19 pandemic relief grants to school districts for the coordination of preparedness and response efforts, training and professional development of staff, planning and coordination during long-term closure and purchasing technology for students.

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

Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (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 reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of Accounting

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 13 and 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB plans, leases 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 governmental fund financial statements. The deferred inflow for leases is related to the lease receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. 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, intergovernmental revenues and tuition and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities found on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 13 and 14.)

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

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

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 object level for the general fund and at the fund level for all other funds. The treasurer has been given the authority to allocate Board appropriations to the function and object level within all funds except the general fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts in the amended certificates that were in effect at the time when the original and final appropriations were passed by the Board of Education. Prior to June 30, the Board requested and received an amended certificate in which estimated revenue matches actual revenue for the fiscal year.

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. Prior to fiscal year end the Board of Education adopted appropriations which match actual expenditures plus encumbrances.

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 the School District's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

During fiscal year 2023, investments were limited to first American government obligations funds, federal home loan bank bonds, federal national mortgage association notes, federal home loan mortgage corporation notes, federal farm credit bank bonds, U.S. treasury notes and negotiable and nonnegotiable certificates of deposit.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost. The School District measures its investments in the first American government obligations funds at the net asset value (NAV) per share provided by First American Funds.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment earnings/interest revenue credited to the general fund during 2023 amounted to $23,878, which includes $4,389 assigned from other School District funds.

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

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 by recording a current asset for the prepaid amount and reflecting the expenditures/expense in the year in which the services are consumed.

Inventory

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

Capital Assets

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

All capital assets (except for intangible right to use lease assets, which are discussed as follows) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year.

Donated capital assets are recorded at their acquisition values as of the date received. The School District was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e. estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price level index to deflate the cost to the acquisition year or estimated acquisition year). The School District maintains a capitalization threshold of $5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Estimated Lives
Land Improvements	15 - 30 years
Buildings and Improvements	20 - 50 years
Furniture, Fixtures and Equipment	5 - 20 years
Vehicles	8 - 10 years
Intangible Right to Use Lease - Equipment	5 years

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

Interfund Balances

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the 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. Since the School District's policy limits the accrual of vacation time to one year from the employee's anniversary date, the outstanding liability is recorded as "vacation benefits payable" on the statement of net position rather than as a long-term liability.

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 ten years of service with the School District.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liabilities (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 plans. 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.

Accrued Liabilities and Long-term Obligations

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

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

Internal Activity

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

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

Fund Balance

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

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

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

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

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

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

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

Unearned Revenue

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because the amounts have not yet been earned. The School District recognizes unearned revenue for the long-term leasing of a telecommunication tower and for space leased by Campbell Library in the School District's new Community Literacy Workforce Cultural Center.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws, or regulations of other governments adopted by the School District. Restricted net position for OPEB plans represents the corresponding restricted asset amounts after considering the related deferred outflows and deferred inflows. Net position restricted for other purposes include resources restricted for instruction, support services, and operation of non-instructional services.

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

Bond Premiums

On the government-wide financial statements, bond premiums are deferred and amortized for the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are receipted in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Estimates

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

Leases

The School District serves as both lessee and lessor in various noncancellable leases which are accounted for as follows:

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

Note 3 – Accountability

The following funds had deficit fund balances as of June 30, 2023:

Major Fund:	
Elementary and Secondary School Emergency Relief	$406,306
Other Governmental Funds:	
Public Preschool	10,000
Title IV Part B 21st Century Learning	17,613
IDEA-B Special Education	44,215
Title I	151,506
Title IV-A	11,491
Reducing Class Size	16,777
Miscellaneous Federal Grants	2,085
Permanent Improvement	53,087

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

Note 4 – Fund Balances

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

Fund Balances	General	Elementary and Secondary School Emergency Relief	Other Governmental Funds	Total
Nonspendable				
Prepaids	$20,162	$0	$0	$20,162
Materials and Supplies Inventory	0	0	2,165	2,165
Total Nonspendable	20,162	0	2,165	22,327
Restricted for				
Capital Projects	0	0	9,654	9,654
Food Service	0	0	495,573	495,573
Classroom Facilities Maintenance	0	0	287,472	287,472
Student Activities and Wellness	0	0	317,326	317,326
Athletics	0	0	13,108	13,108
Scholarships	0	0	40,857	40,857
School/Community Programs	0	0	60,281	60,281
Non-Public Schools	0	0	2,413	2,413
Data and Information Systems	0	0	100	100
Early Literacy Reading Programs	0	0	7,258	7,258
New Teacher Mentoring	200	0	0	200
Professional Development	217	0	0	217
Total Restricted	417	0	1,234,042	1,234,459
Committed to				
Support Services	26,026	0	0	26,026
ESC Services	822	0	0	822
Legal Services	8,000	0	0	8,000
Bus Purchases	81,084	0	0	81,084
Total Committed	115,932	0	0	115,932
Assigned to				
Fiscal Year 2024 Operations	380,705	0	0	380,705
Public School Support	7,521	0	0	7,521
Purchases on Order	351,836	0	0	351,836
Total Assigned	740,062	0	0	740,062
Unassigned (Deficit)	3,551,684	(406,306)	(306,774)	2,838,604
Total Fund Balances (Deficit)	$4,428,257	($406,306)	$929,433	$4,951,384

Note 5 – Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance – budget (non-GAAP basis) and actual for the general fund and the major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Advances In and Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
3. Investments are reported at cost (budget basis) rather than fair value (GAAP basis).
4. Unrecorded cash represents amounts received but not reported by the School District on the budgetary statements, but which is reported on the GAAP basis operating.
5. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
6. Budgetary revenues and expenditures of the public school support and recreation funds are reclassified to the general fund for GAAP reporting.
7. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP).

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general and the major special revenue fund.

	General	Elementary and Secondary School Emergency Relief
GAAP Basis	$1,233,054	($131,639)
Revenue Accruals	(100,055)	(11,678)
Advances In	792,669	269,690
Beginning Fair Value Adjustment for Investments	(96,943)	0
Ending Fair Value Adjustment for Investments	146,072	0
Beginning Unrecorded Cash	72,572	
Expenditure Accruals	(187,611)	(14,491)
Advances Out	(735,229)	(237,244)
Perspective Difference:		
Public School Support	(1,079)	0
Recreation	25,676	0
Encumbrances	(513,073)	(102,319)
Budget Basis	$636,053	($227,681)

Note 6 – Deposits and Investments

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Deposits

Custodial Credit Risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2023, $1,795,211 of the School District's total bank balance of $5,645,117 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The School District's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

> Eligible securities pledged to 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 the deposits being secured; or
>
> Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

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

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percentage of Total Investments
Net Asset Value Per Share:				
First American Government Obligations Fund	$5,750	Less than one year	AAAm	N/A
Fair Value - Level Two Inputs:				
Federal Home Loan Bank Bonds	150,847	Less than three years	AA+	5.42 %
Federal National Mortgage Association Notes	143,116	Less than two years	AA+	5.14
Federal Home Loan Mortgage Corporation Notes	109,052	Less than three years	AA+	N/A
Federal Farm Credit Bank Bonds	322,495	Less than five years	AA+	11.58
US Treasury Notes	916,207	Less than five years	AA+	32.90
Negotiable Certificates of Deposit	1,137,110	Less than five years	N/A	40.84
Total	$2,784,577			

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. The preceding chart identifies the School District's recurring fair value measurements as of June 30, 2023. First American Government Obligations funds are measured at net asset value per share. The School District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (level 2 inputs).

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from date of purchase and that the School District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk The Standard and Poor's ratings of the School Districts investments are listed in the preceding table. The negotiable certificates of deposit are unrated. The School District has no investment policy that addresses credit risk. The negotiable certificates of deposit are not rated.

Concentration of Credit Risk The School District places no limit on the amount it may invest in any one issuer.

Note 7 – Property Taxes

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

Public utility property tax revenues received in calendar year 2023 represents collections of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2023 became a lien on 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 thirty-five percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

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

The amount available as an advance at June 30, 2023, was $44,000 in the general fund. The amount available as an advance at June 30, 2022, was $59,551 in the general fund, $760 in the classroom facilities special revenue fund, and $5,589 in the bond retirement debt service fund.

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

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

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	$64,471,090	86.48%	$64,497,210	86.07%
Public Utility Personal	10,077,200	13.52	10,434,880	13.93
Total	$74,548,290	100.00%	$74,932,090	100.00%
Full Tax Rate per $1,000 of assessed valuation	$40.85		$37.00	

The total gross tax rate decreased due to no longer collecting bond, site acquisition and classroom facilities maintenance levies and also to generate the correct collection amount for the emergency levy.

Note 8 – Receivables

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

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
Elementary and Secondary School Emergency Relief	$417,984
Title I Grants	199,118
Medicaid Reimbursement	132,510
Miscellaneous State Grants	124,534
IDEA-B Special Education Grant	44,215
Reducing Class Size Grant	16,777
Title IV Part B 21st Century Learning Grant	14,351
State Foundation Adjustments	12,514
Title IV-A Grant	11,491
Public Preschool Grant	10,000
Federal Subsidies - Breakfast and Lunch	8,579
Miscellaneous Federal Grants	8,295
Data Communications	92
Total	$1,000,460

Leases Receivable

The School District is reporting a lease receivable of $544,468 in the general fund at June 30, 2023. These amounts represent the discounted future lease payments. This discount is being amortized using the interest method. For fiscal year 2023, the School District recognized lease revenue of $20,683 and interest revenue of $5,437 in the general fund. These lease revenue amounts exclude short-term leases. A description of the School District's leasing arrangements is as follows:

Southwoods Agreement – The School District has entered into a lease agreement for building space in the Community Literacy Workforce Cultural Center with Triad Health Services, LLC (Southwoods). The lease commenced on October 1, 2020 for a period of ten years ending on September 30, 2030. Payments are received on a monthly basis.

Akron Children's Hospital Agreement – The School District has entered into a lease agreement for building space in the Community Literacy Workforce Cultural Center with Akron Children's Hospital. The lease commenced on June 1, 2023 for a period of eleven years ending on May 31, 2034. Payments are received on a monthly basis.

A summary of future lease amounts receivable is as follows:

	General					
	Southwoods		Akron Children's Hospital		Total	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2024	$21,311	$4,809	$31,646	$11,698	$52,957	$16,507
2025	21,960	4,160	30,137	9,873	52,097	14,033
2026	22,627	3,493	31,054	8,956	53,681	12,449
2027	23,316	2,804	31,999	8,011	55,315	10,815
2028	24,025	2,095	32,972	7,038	56,997	9,133
2029-2033	56,762	2,008	180,527	19,523	237,289	21,531
2034	0	0	36,132	544	36,132	544
Total	$170,001	$19,369	$374,467	$65,643	$544,468	$85,012

Note 9 – Contingencies

Grants

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

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. The ODE has finalized the impact of enrollment adjustments to the June 30, 2023 foundation funding for the School District.

Litigation

The School District is not party to legal proceedings.

Note 10 – Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2023, the School District contracted with Schools of Ohio Risk Sharing Authority (SORSA) for property and liability insurance. The comprehensive commercial insurance coverage limits are $82,480,053 with a $250 deductible. The business auto coverage limits are $15,000,000 for liability and $1,000,000 for uninsured motorists. The School District has liability insurance coverage limits of $15,000,000 per claim and $17,000,000 general aggregate.

Employee Health Benefits

For fiscal 2023, the School District was a participant in the Mahoning County School Employees Insurance Consortium (the "Consortium") to provide employee health, dental, vision and prescription drug benefits. The Consortium is administered by Anthem.

Contribution rates are calculated and set through an annual update process. The School District pays a monthly contribution which is placed in a common fund from which claims or payments are made for all participating school districts and claims are paid for all participants regardless of claims flow. The Consortium is responsible for paying health plan claims up to $300,000 per individual per year. Any claims exceeding the $300,000 is covered by the School District's stop-loss carrier.

Effective January 1, 2023, the School District provides full-time employees with 89 percent Board paid hospitalization, prescription drug, dental and vision.

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

Worker's Compensation

The School District pays the Workers' Compensation System a premium based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 11 – Capital Assets

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

Governmental Activities	Balance 6/30/2022	Additions	Deductions	Balance 6/30/2023
Nondepreciable Capital Assets				
Land	$150,278	$0	$0	$150,278
Construction in Progress	0	3,392,708	0	3,392,708
Total Nondepreciable Capital Assets	150,278	3,392,708	0	3,542,986
Depreciable/Amortized Capital Assets				
Land Improvements	1,241,400	198,850	0	1,440,250
Buildings and Improvements	55,841,045	390,335	0	56,231,380
Furniture, Fixtures and Equipment	3,525,139	256,022	0	3,781,161
Vehicles	1,171,444	107,461	0	1,278,905
Intangible Right to Use Lease - Equipment**	125,958	0	0	125,958
Total Depreciable/Amortized Capital Assets	61,904,986	952,668	0	62,857,654
Less: Accumulated/ Depreciation/Amortization				
Land Improvements	(1,018,728)	(31,706)	0	(1,050,434)
Buildings and Improvements	(17,586,696)	(1,240,564)	0	(18,827,260)
Furniture, Fixtures and Equipment	(2,669,071)	(137,942)	0	(2,807,013)
Vehicles	(817,382)	(86,526)	0	(903,908)
Intangible Right to Use Lease - Equipment**	(62,979)	(25,192)	0	(88,171)
Total Accumulated Depreciation/Amortization	(22,154,856)	(1,521,930) *	0	(23,676,786)
Depreciable/Amortized Capital Assets, Net	39,750,130	(569,262)	0	39,180,868
Governmental Activities Capital Assets, Net	$39,900,408	$2,823,446	$0	$42,723,854

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

Instruction:	
Regular	$527,510
Special	127,227
Vocational	2,220
Support Services:	
Instructional Staff	102,133
Board of Education	7,252
Administration	54,580
Fiscal	10,942
Business	25,192
Operation and Maintenance of Plant	166,002
Pupil Transportation	82,604
Food Service Operation	127,978
Extracurricular Activities	288,290
Total Depreciation/Amortization Expense	$1,521,930

** Of the current year depreciation/amortization total of $1,521,930, $25,192 is presented as support services – business expense on the statement of activities related to the School District's intangible asset of a copier, which is included as an Intangible Right to Use Lease.

Note 12 – Other Employee Benefits

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-two days of vacation per year, depending upon length of service and hours worked. The Superintendent and the Treasurer earn 30 days of vacation annually. Accumulated, unused vacation is not paid out to employees upon termination of employment. Teachers do not earn vacation.

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, certificated employees with ten or more years of service receive payment for twenty-five percent of the total sick leave accumulation. Upon retirement, classified employees with less than sixteen years of service receive payment for fifteen percent of the total sick leave accumulation up to a maximum of thirty-two days. Classified employees with sixteen years or more of service upon retirement receive payment for twenty-five percent of the total sick leave accumulation, up to a maximum of sixty days.

Life Insurance Benefits

The School District provides life insurance to all employees through OSC Life Insurance in the amounts of $100,000 for the Superintendent, $50,000 for employees who work 2,080 hours or more per year and $27,000 for employees who work less than 2,080 hours per year. Premiums are paid by the School District.

Note 13 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

The School District's contractually required contribution to SERS was $433,300 for fiscal year 2023. Of this amount $49,533 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be 5 years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be 5 years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

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

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

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

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

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

The School District's contractually required contribution to STRS was $1,138,043 for fiscal year 2023. Of this amount $204,786 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.07621010%	0.06068511%	
Prior Measurement Date	0.08256080%	0.05946347%	
Change in Proportionate Share	-0.00635070%	0.00122164%	
Proportionate Share of the Net Pension Liability	$4,122,036	$13,490,377	$17,612,413
Pension Expense	$292,092	$1,716,179	$2,008,271

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$166,945	$172,694	$339,639
Changes of assumptions	40,673	1,614,393	1,655,066
Net difference between projected and actual earnings on pension plan investments	0	469,436	469,436
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	74,886	282,906	357,792
School District contributions subsequent to the measurement date	433,300	1,138,043	1,571,343
Total Deferred Outflows of Resources	$715,804	$3,677,472	$4,393,276
Deferred Inflows of Resources			
Differences between expected and actual experience	$27,060	$51,605	$78,665
Changes of assumptions	0	1,215,174	1,215,174
Net difference between projected and actual earnings on pension plan investments	143,840	0	143,840
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	236,035	91,711	327,746
Total Deferred Inflows of Resources	$406,935	$1,358,490	$1,765,425

$1,571,343 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	($27,884)	$144,098	$116,214
2025	(130,107)	20,429	(109,678)
2026	(205,478)	(351,733)	(557,211)
2027	239,038	1,368,145	1,607,183
Total	($124,431)	$1,180,939	$1,056,508

Actuarial Assumptions – SERS

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

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

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

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

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$6,067,439	$4,122,036	$2,483,059

Actuarial Assumptions – STRS

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

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

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

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

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

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

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

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

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with 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' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$20,379,048	$13,490,377	$7,664,693

Note 14 – Defined Benefit OPEB Plans

See note 13 for a description of the net OPEB liability.

School Employees Retirement System (SERS)

Health Care Plan Description – The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides health care 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. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the School District's surcharge obligation was $55,082.

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 $55,082 for fiscal year 2023, which is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

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

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

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.07807830%	0.06068511%	
Prior Measurement Date	0.08525490%	0.05946347%	
Change in Proportionate Share	-0.00717660%	0.00122164%	
Proportionate Share of the:			
Net OPEB Liability	$1,096,228	$0	$1,096,228
Net OPEB (Asset)	$0	($1,571,339)	($1,571,339)
OPEB Expense	($40,071)	($274,338)	($314,409)

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	$9,215	$22,779	$31,994
Changes of assumptions	174,369	66,934	241,303
Net difference between projected and actual earnings on OPEB plan investments	5,698	27,353	33,051
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	229,580	19,491	249,071
School District contributions subsequent to the measurement date	55,082	0	55,082
Total Deferred Outflows of Resources	$473,944	$136,557	$610,501
Deferred Inflows of Resources			
Differences between expected and actual experience	$701,227	$235,985	$937,212
Changes of assumptions	450,009	1,114,230	1,564,239
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	196,622	1,166	197,788
Total Deferred Inflows of Resources	$1,347,858	$1,351,381	$2,699,239

$55,082 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase to the net OPEB asset in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	($185,661)	($351,572)	($537,233)
2025	(182,010)	(347,736)	(529,746)
2026	(161,660)	(167,207)	(328,867)
2027	(115,474)	(70,037)	(185,511)
2028	(98,963)	(92,007)	(190,970)
Thereafter	(185,228)	(186,265)	(371,493)
Total	($928,996)	($1,214,824)	($2,143,820)

Actuarial Assumptions – SERS

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

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

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

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

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

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

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

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

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

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

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

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
School District's proportionate share of the net OPEB liability	$1,361,531	$1,096,228	$882,055

	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	$845,388	$1,096,228	$1,423,864

Actuarial Assumptions – STRS

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

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

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

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

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

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

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB (asset)	($1,452,662)	($1,571,339)	($1,672,997)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB (asset)	($1,629,861)	($1,571,339)	($1,497,470)

Note 15 – Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue	Year of Maturity
2010 Various Purpose Refunding Bonds:			
Current Interest Serial Bonds	2.90% to 3.70%	$1,185,000	2018 to 2023
2013 Energy Conservation Improvement Bonds:			
Current Issue Term Bonds	3.20% to 4.00%	480,000	2019 to 2029
2017 Qualified Zone Academy Bonds:			
Serial Bonds	0.00%	9,000,000	2018 to 2033
2019 Certificates of Participation			
Serial Bonds	2.00% to 3.00%	1,285,000	2020 to 2030
Term Bonds	3.25% to 4.00%	715,000	2031 to 2034

Changes in long-term obligations of the School District during fiscal year 2023 were as follows:

	Principal Outstanding 6/30/22	Additions	Deductions	Principal Outstanding 6/30/23	Amounts Due in One Year
General Obligation Bonds:					
2010 Various Purpose Refunding Bonds					
Current Interest Serial Bonds	$215,000	$0	($215,000)	$0	$0
Premium	5,777	0	(5,777)	0	0
Total 2010 Various Purpose Refunding Bonds	220,777	0	(220,777)	0	0
2013 Energy Conservation Improvement Bonds					
Current Interest Term Bonds	325,000	0	(40,000)	285,000	45,000
Premium	9,407	0	(1,466)	7,941	0
Total 2013 Energy Conservation Improvement Bonds	334,407	0	(41,466)	292,941	45,000
2017 Qualified Zone Academy Bonds (QZAB)					
Serial Bonds	6,600,000	0	(600,000)	6,000,000	600,000
Total General Obligation Bonds	7,155,184	0	(862,243)	6,292,941	645,000
Certificates of Participation:					
2019 Certificates of Participation					
Current Interest Serial Bonds	1,210,000	0	(135,000)	1,075,000	140,000
Current Interest Term Bonds	715,000	0	0	715,000	0
Premium	59,597	0	(5,182)	54,415	0
Total 2019 Certificates of Participation	1,984,597	0	(140,182)	1,844,415	140,000
Other Long-Term Obligations:					
Net Pension Liability					
SERS	3,046,253	1,075,783	0	4,122,036	0
STRS	7,602,939	5,887,438	0	13,490,377	0
Total Net Pension Liability	10,649,192	6,963,221	0	17,612,413	0
Net OPEB Liability					
SERS	1,613,518	0	(517,290)	1,096,228	0
Financed Purchases Payable	237,173	0	(229,857)	7,316	7,316
Lease Payable	71,798	0	(25,604)	46,194	27,167
Compensated Absences	784,816	166,382	(59,317)	891,881	79,517
Total Other Long-Term Obligations	13,356,497	7,129,603	(832,068)	19,654,032	114,000
Total Governmental Activities Long-Term Liabilities	$22,496,278	$7,129,603	($1,834,493)	$27,791,388	$899,000

Compensated absences will be paid from the general fund and the food service, IDEA-B Special Education, and Title I special revenue funds. The lease payable will be paid from the general fund. There are no repayment schedules for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the general fund. For additional information related to the net pension and net OPEB liabilities, see Notes 13 and 14.

In 2004, the School District entered into a financed purchase agreement for stadium facility improvements in the amount of $2,835,000 to be paid from the general fund. This financed purchase was fully paid off during fiscal year 2023. In 2020, the School District entered into a financed purchase agreement for a Ford Transit Van in the amount of $34,428 to be paid from the general fund.

On March 23, 2010, the School District issued $1,635,000 in general obligation bonds to refund a portion of the 2000 various purpose improvement bonds. The general obligation bonds included serial, term and capital appreciation (deep discount) bonds in the amount of $1,185,000, $325,000 and $125,000, respectively. The bonds were issued for a twelve year period with a final maturity at December 1, 2022. The bonds were retired from the bond retirement debt service fund. The term and capital appreciation bonds have been retired in full.

On December 3, 2013, the School District issued $592,000 in energy conservation improvement bonds for energy improvements to various School District buildings. The energy conservation improvement bonds included serial, term and capital appreciation (deep discount) bonds in the amount of $70,000, $480,000 and $42,000, respectively. The bonds were issued for a fifteen year period with a final maturity at December 1, 2028. The bonds will be repaid from the bond retirement debt service fund. The serial and capital appreciation bonds have been retired in full.

The term bonds are being repaid through annual debt service repayments through fiscal year 2029. The term bonds maturing on December 1, 2023 and 2028 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

	Issue	
Fiscal Year	$240,000	$240,000
2025	$0	$45,000
2026	0	45,000
2027	0	50,000
2028	0	50,000
Total Mandatory Sinking Fund Payments	0	190,000
Amount Due at Stated Maturity	45,000	50,000
Total	$45,000	$240,000
Stated Maturity	*12/1/2023*	*12/1/2028*

On December 14, 2017, the School District issued $9,000,000 in qualified zone academy bonds (QZAB), in accordance with House of Representatives Bill 1424, the Emergency Economic Stabilization Act of 2008 (Public Law 110-343) as provided for under Sections 54A and 54E of the Internal Revenue Code of 1986, to be used for the development of a Community Literacy Workforce and Cultural Center that would include a STEM Academy and provide students with early college and workforce experience. The bonds come due annually and are subject to annual debt service requirements. The bonds will be repaid from the bond retirement debt service fund. The QZAB does not bear interest.

On July 9, 2019, the School District issued $2,000,000 in Certificates of Participation (COPS) for the purpose of acquisition, construction, equipping, installation and rehabilitation of building improvements which included $1,285,000 in serial bonds and $715,000 in term bonds. The certificates of participation were issued for a fourteen year period with final maturity in fiscal year 2034. The certificates will be paid from property taxes from the bond retirement debt service fund. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be "qualified tax exempt obligations" within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Ohio School Building Leasing Corporation, and then subleased back to the School District. The COPs were issued through a series of annual leases with the right to renew for successive one-year terms through fiscal year 2034 subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component of 2 to 4 percent. The School District has the option to purchase the renovations on any lease payment date by paying the amount necessary to defease the indenture. The certificates of participation were issued at a premium of $75,144. This premium will be amortized over 14 years using the straight line method.

The term bonds mature on December 1, 2031 and 2033 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption as follows:

	Issue	
Fiscal Year	$345,000	$370,000
2031	$170,000	$0
2033	0	180,000
Total Mandatory Sinking Fund Payments	170,000	180,000
Amount Due at Stated Maturity	175,000	190,000
Total	$345,000	$370,000
Stated Maturity	*12/1/2031*	*12/1/2033*

The School District's overall debt margin was $6,743,888 with an unvoted debt margin of $74,932 at June 30, 2023. Principal and interest requirements to retire long-term obligation bonds are as follows:

	Energy Conservation Improvement Bonds		QZAB
	Term		Serial
Fiscal Year	Principal	Interest	Principal
2024	$45,000	$10,320	$600,000
2025	45,000	8,700	600,000
2026	45,000	6,900	600,000
2027	50,000	5,000	600,000
2028	50,000	3,000	600,000
2029 - 2033	50,000	1,000	3,000,000
Total	$285,000	$34,920	$6,000,000

	Certificates of Participation					
	Serial		Term		Financed Purchases	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2024	$140,000	$26,318	$0	$26,013	$7,316	$490
2025	145,000	22,044	0	26,012	0	0
2026	150,000	17,619	0	26,013	0	0
2027	155,000	13,044	0	26,012	0	0
2028	160,000	9,118	0	26,013	0	0
2029 - 2033	325,000	7,678	525,000	104,119	0	0
2034	0	0	190,000	3,800	0	0
Total	$1,075,000	$95,821	$715,000	$237,982	$7,316	$490

The School District has an outstanding agreement to lease copiers. The future lease payments were discounted based on the interest rate implicit in the lease. This discount is being amortized using the interest method over the life of the lease. A summary of the principal and interest amounts for the remaining lease is as follows:

Year	Principal	Interest
2024	$27,167	$2,012
2025	19,027	426
	$46,194	$2,438

Note 16 – Interfund Transactions

Interfund Transfers

The general fund transferred $844,036 and $749,374 to the bond retirement debt service fund and the permanent improvement capital projects fund, respectively, for debt retirement and construction projects. The bond retirement debt service fund also transferred $290,410 to the permanent improvement capital projects fund in order to move the remaining balance no longer needed to retire OSFC debt.

Interfund Balances

The general fund reported an interfund receivable at June 30, 2023, $777,675. The elementary and secondary school emergency relief fund and other governmental funds had interfund payables of $269,690 and $507,985, respectively, due to the timing of grant receipts and related to expenditure charge-backs. All advances are expected to be repaid within one year.

Note 17 – Jointly Governed Organizations

Area Cooperative Computerized Educational Service System Council of Governments

The Area Cooperative Computerized Educational Service System (ACCESS) Council of Governments is a computer network which provides data services to twenty-three school districts. The jointly governed 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 districts. Each of the governments of these schools supports ACCESS based upon a per pupil charge before any e-rate credits. The School District paid $59,291 to ACCESS during fiscal year 2023. ACCESS is governed by an assembly consisting of the superintendents or other designees of the member school districts. The assembly exercises total control over the operation of ACCESS including budgeting, appropriating, contracting and designating management. The degree of control exercised by any participating school district is limited to its representation on the Board. All of ACCESS revenues are generated from charges for services and State funding. Financial information can be obtained by contacting the Treasurer of the Access Council of Governments, 493 Bev Road, Unit 1, Boardman, Ohio 44514.

Mahoning County Career and Technical Center

The Mahoning County Career and Technical Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of representatives from the participating school districts' elected boards, which possesses its own budgeting and taxing authority. The degree of control exercised by any participating school district is limited to its representation on the Board. The School District did not contribute any amounts to the Mahoning County Career and Technical Center during fiscal year 2023. To obtain financial information, write to the Treasurer of the Career and Technical Center at 7300 North Palmyra Road, Canfield, Ohio 44406.

Note 18 – Shared Risk Pools

Mahoning County School Employees Insurance Consortium The School District participates in the Mahoning County Schools Employees Insurance Consortium (Consortium). This is a shared risk pool composed of twelve Mahoning County School Districts. The Consortium is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly elects officers for one year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Consortium. Consortium revenues are generated from charges for services.

Schools of Ohio Risk Sharing Authority The School District participates in the Schools of Ohio Risk Sharing Authority (SORSA), a shared risk pool among member school districts. SORSA was established in 2002 as an Ohio nonprofit, self-funded group insurance consortium that offers property, electronic data processing, boiler and machinery, crime, general liability, automobile liability and physical damage and school board errors and omissions insurance coverage. The Consortium is governed by a Board of Directors composed of representatives from the participating school districts. The Board of Directors exercises control over the operation of the Consortium. Consortium revenues are generated from charges for services.

Note 19 – Set-Aside Calculation

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 year must be held in cash at year end and carried forward to be used for the same purposes in future years.

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

	Capital Improvements
Set-Aside Balance as of June 30, 2022	($215,000)
Current Year Set-Aside Requirement	237,936
Qualifying Disbursements	(235,995)
Offsets	(1,828,888)
Total	($2,041,947)
Set-Aside Balance Carried Forward to Future Fiscal Years	$0
Set-Aside Balance as of June 30, 2023	$0

The School District had a negative carryover balance and qualifying disbursements during the fiscal year that reduced the capital acquisition set-aside below zero. The negative balance being carried forward from fiscal year 2022 in the capital acquisition set-aside represented the outstanding balance on the School District's Ohio Schools Facilities Commission (OSFC) bonds as of June 30, 2022. The OSFC bonds were fully paid off during fiscal year 2023. Therefore the negative set-aside balance as of June 30, 2023 is not presented as being carried forward to future years.

Note 20 – Encumbrances

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

General	$513,073
Elementary and Secondary School Emergency Relief	102,319
Other Governmental Funds	718,259
Total	$1,333,651

Note 21 – Change in Accounting Principles

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

GASB 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The School District did not have any debt that met the definition of conduit debt.

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

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The School District did not have any contracts that met the GASB 96 definition of a SBITA, other than short-term SBITAs.

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

Note 22 – COVID-19

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

Required Supplementary Information

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

	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.07621010%	0.08256080%	0.07726200%
School District's Proportionate Share of the Net Pension Liability	$4,122,036	$3,046,253	$5,110,272
School District's Covered Payroll	$2,855,329	$2,861,900	$2,726,236
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	144.36%	106.44%	187.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015	2014
0.07181110%	0.06926250%	0.06972700%	0.07292570%	0.07286820%	0.07805700%	0.07805700%
$4,296,584	$3,966,792	$4,166,035	$5,337,487	$4,157,930	$3,950,420	$4,641,799
$2,463,526	$2,222,815	$2,238,957	$2,270,236	$2,200,521	$2,283,221	$2,290,542
174.41%	178.46%	186.07%	235.11%	188.95%	173.02%	202.65%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

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

	2023	2022	2021
School District's Proportion of the Net OPEB Liability	0.07807830%	0.08525490%	0.08051420%
School District's Proportionate Share of the Net OPEB Liability	$1,096,228	$1,613,518	$1,749,836
School District's Covered Payroll	$2,855,329	$2,861,900	$2,726,236
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	38.39%	56.38%	64.19%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.07353770%	0.07052230%	0.07050360%	0.07375020%
$1,849,318	$1,956,479	$1,892,130	$2,102,154
$2,463,526	$2,222,815	$2,238,957	$2,270,236
75.07%	88.02%	84.51%	92.60%
15.57%	13.57%	12.46%	11.49%

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

	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.06068511%	0.05946347%	0.05995700%
School District's Proportionate Share of the Net Pension Liability	$13,490,377	$7,602,939	$14,507,461
School District's Covered Payroll	$7,997,857	$7,336,257	$7,267,443
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	168.67%	103.64%	199.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015	2014
0.05864558%	0.05734590%	0.05626206%	0.05604610%	0.05626321%	0.05787598%	0.05787598%
$12,969,117	$12,609,076	$13,365,173	$18,760,318	$15,549,506	$14,077,441	$16,768,955
$6,936,600	$6,544,457	$6,262,564	$5,901,036	$5,878,264	$5,858,686	$6,172,769
186.97%	192.67%	213.41%	317.92%	264.53%	240.28%	271.66%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

Campbell City School District

Required Supplementary Information

Schedule of the School District's Proportionate Share of the Net OPEB (Asset) Liability

State Teachers Retirement System of Ohio

Last Seven Fiscal Years (1)

	2023	2022	2021
School District's Proportion of the Net OPEB Asset/Liability	0.06068511%	0.05946347%	0.05995700%
School District's Proportionate Share of the Net OPEB (Asset) Liability	($1,571,339)	($1,253,738)	($1,053,744)
School District's Covered Payroll	$7,997,857	$7,336,257	$7,267,443
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-19.65%	-17.09%	-14.50%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	230.70%	174.70%	182.10%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.05864558%	0.05734590%	0.05626206%	0.05604610%
($971,312)	($921,490)	$2,195,139	$2,997,360
$6,936,600	$6,544,457	$6,262,564	$5,901,036
-14.00%	-14.08%	35.05%	50.79%
174.70%	176.00%	47.10%	37.30%

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

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	$433,300	$399,746	$400,666	$381,673
Contributions in Relation to the Contractually Required Contribution	(433,300)	(399,746)	(400,666)	(381,673)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$3,095,000	$2,855,329	$2,861,900	$2,726,236
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution (2)	$55,082	$51,771	$55,341	$53,330
Contributions in Relation to the Contractually Required Contribution	(55,082)	(51,771)	(55,341)	(53,330)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	1.78%	1.81%	1.93%	1.96%
Total Contributions as a Percentage of Covered Payroll (2)	15.78%	15.81%	15.93%	15.96%

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
$332,576	$300,080	$313,454	$317,833	$290,029	$316,454
(332,576)	(300,080)	(313,454)	(317,833)	(290,029)	(316,454)
$0	$0	$0	$0	$0	$0
$2,463,526	$2,222,815	$2,238,957	$2,270,236	$2,200,521	$2,283,221
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%
$56,947	$50,348	$37,255	$36,666	$55,522	$41,985
(56,947)	(50,348)	(37,255)	(36,666)	(55,522)	(41,985)
$0	$0	$0	$0	$0	$0
2.31%	2.27%	1.66%	1.62%	2.52%	1.84%
15.81%	15.77%	15.66%	15.62%	15.70%	15.70%

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

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	$1,138,043	$1,119,700	$1,027,076	$1,017,442
Contributions in Relation to the Contractually Required Contribution	(1,138,043)	(1,119,700)	(1,027,076)	(1,017,442)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$8,128,879	$7,997,857	$7,336,257	$7,267,443
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
$971,124	$916,224	$876,759	$826,145	$822,957	$761,629
(971,124)	(916,224)	(876,759)	(826,145)	(822,957)	(761,629)
$0	$0	$0	$0	$0	$0
$6,936,600	$6,544,457	$6,262,564	$5,901,036	$5,878,264	$5,858,686
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%
$0	$0	$0	$0	$0	$58,587
0	0	0	0	0	(58,587)
$0	$0	$0	$0	$0	$0
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

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

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

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

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

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

Changes in Assumptions - STRS

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

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

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

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

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

Changes in Benefit Term – STRS

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

Net OPEB Liability

Changes in Assumptions – SERS

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

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

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

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

Changes in Assumptions – STRS

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

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

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

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

Changes in Benefit Terms – STRS

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

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

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

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

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

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

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CAMPBELL CITY SCHOOL DISTRICT
MAHONING COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** Program / Cluster Title	**Federal AL Number**	**Total Federal Receipts**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education and Workforce:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	$291,209	$269,002
Afterschool Care Snack Program	10.555	9,109	9,109
School Lunch Program	10.555	587,993	548,954
Healthy Hunger Free Kids Act	10.555	10,700	10,700
School Lunch Program non-cash assistance	10.555	56,714	56,714
Total Child Nutrition Cluster		**955,725**	**894,479**
Child and Adult Food Program	10.558	27,912	27,912
Cash-in-Lieu	10.558	2,071	2,071
Total Child and Adult Food Program and Cash-in-Lieu		**29,983**	**29,983**
Covid-19 Pandemic Electronic Benefits Transfer (P-EBT)	10.649	3,135	3,135
Total P-EBT		**3,135**	**3,135**
Total U.S. Department of Agriculture		**988,843**	**927,597**
U.S. DEPARTMENT OF THE FEDERAL COMMUNICATIONS COMMISSION			
COVID-19 Emergency Connectivity Fund	32.009	**194,019**	**204,399**
Total U.S. Department of the Federal Communications Commission		**194,019**	**204,399**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education and Workforce:			
Title I Grants to Local Educational Agencies	84.010	907,098	923,545
Title I - Expanding Opportunities	84.010	83,425	70,627
Total Title I Grants to Local Educational Agencies		**990,523**	**994,172**
Special Education Grants to States (IDEA, Part B)	84.027	303,148	282,908
Covid-19 American Rescue Plan- Special Education Grants to States (IDEA, Part B)	84.027	24,749	24,749
Early Childhood Grant	84.173	4,889	4,889
Total Special Education Cluster		**332,786**	**312,546**
Improving Teacher Quality State Grants (Title II-A)	84.367	82,663	80,152
Total Improving Teacher Quality State Grants		**82,663**	**80,152**
Title IV-A Student Support	84.424	61,304	59,167
Total Title IV-A Grant		**61,304**	**59,167**
Covid-19 Elementary and Secondary School Emergency Relief (ESSER)	84.425D	1,054,322	1,164,448
Covid-19 American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	2,764,440	2,800,446
Covid-19 American Rescue Plan Homeless	84.425W	794	12,472
Total ESSER Grant		**3,819,556**	**3,977,366**
21st Century Grant	84.287	152,851	146,594
Total 21st Century Grant		152,851	146,594
Equity of Each	84.048	**142,499**	**87,707**
Total Equity for Each		**142,499**	**87,707**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Mahoning County Educational Service Center:			
Title III Grant	84.365	19,589	19,589
Total Title III Grant		**19,589**	**19,589**
Total U.S. Department of Education		**5,601,771**	**5,677,293**
Total Federal Awards Receipts and Expenditures		**$ 6,784,633**	**$ 6,809,289**

The accompanying notes are an integral part of this schedule.

CAMPBELL CITY SCHOOL DISTRICT
MAHONING COUNTY

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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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*

Campbell City School District
Mahoning County
280 Sixth Street
Campbell, Ohio 44405

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Campbell City School District, Mahoning County, (the School District) as of and for the 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 February 28, 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 purposes 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

February 28, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

Campbell City School District
Mahoning County
280 Sixth Street
Campbell, Ohio 44405

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Campbell City School District's, Mahoning 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 each of Campbell City School District's major federal programs for the year ended June 30, 2023. Campbell City School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the 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 each 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 each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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

February 28, 2024

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CAMPBELL CITY SCHOOL DISTRICT
MAHONING 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):	ESSER (AL# 84.425 D,U&W) Title I (AL# 84.010) Emergency Connectivity (AL# 32.009)
(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

CAMPBELL CITY SCHOOL DISTRICT

MAHONING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/21/2024

88 East Broad Street, Columbus, Ohio 43215
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