

***Mt. Healthy City School District***  
***(County of Hamilton, Ohio)***

**2023**

***Annual Financial Information Statement***



This Annual Financial Information Statement pertains to the operations of Mt. Healthy City School District for the fiscal year ended June 30, 2022 (“FY 2022”).

This Annual Financial Information Statement is intended to satisfy the District’s Continuing Disclosure obligations for providing annual financial information and operating data in compliance with U.S. Securities and Exchange Commission Rule 15c2-12.

Questions regarding information contained in this Annual Financial Information Statement should be directed to: Rebecca J. Brooks, Treasurer, Mt. Healthy City School District, 7615 Harrison Avenue, Cincinnati, Ohio 45231.

The date of this Annual Financial Information Statement is March 1, 2023.

## TABLE OF CONTENTS

REGARDING THIS ANNUAL FINANCIAL INFORMATION STATEMENT.....	1
General.....	1
Note regarding Enrollment Numbers.....	3
Impact of the COVID-19 Pandemic .....	3
GENERAL INFORMATION AND OPERATING DATA CONCERNING THE BOARD OF EDUCATION AND THE DISTRICT .....	4
Organization of the District .....	4
Overlapping Governmental Entities .....	6
Board of Education .....	7
Enrollment.....	7
Employees.....	8
FINANCIAL MATTERS .....	9
Financial Condition of the District .....	9
AD VALOREM TAX REVENUES.....	10
Assessed Valuation of the District.....	10
Largest Taxpayers.....	10
Collections and Delinquencies of Ad Valorem Taxes.....	11
Unvoted and Voted Taxes for Local Purposes .....	11
Sources of Income.....	12
Voting Records .....	12
State Funding Program .....	13
BOARD OF EDUCATION DEBT AND OTHER LONG-TERM OBLIGATIONS .....	15
Outstanding General Obligation Debt .....	15
Other Outstanding Obligations .....	16
Other Lease Obligations .....	16
Future Financings.....	16
Pension Obligations .....	17
CONCLUDING STATEMENT .....	18
 <u>APPENDICES</u>	
APPENDIX A	Unaudited Financial Statements for the Fiscal Year Ended June 30, 2022
APPENDIX B	Budget Appropriations (FY 2023)
APPENDIX C	Five Year Forecast
APPENDIX D	Financial Statement
2023 ADDENDUM	Voluntary Disclosure regarding the Impact of the COVID-19 Pandemic

## REGARDING THIS ANNUAL FINANCIAL INFORMATION STATEMENT

### General

This Annual Financial Information Statement does not constitute an offering of any security of the Board of Education of the Mt. Healthy City School District (the “District”) County of Hamilton, Ohio.

The information herein is subject to change without notice. The delivery of this Annual Financial Information Statement shall not create any implication that there has been no change in the affairs of the District since the date hereof.

Neither the U.S. Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity or agency except the District will have, at the request of the District, passed upon the accuracy or adequacy of this Annual Financial Information Statement.

This Annual Financial Information Statement, which includes the cover page and *Appendices A* through *D*, has been prepared by the District, pursuant to one or more continuing disclosure agreements or certificates entered into by the District in compliance with U.S. Securities and Exchange Commission Rule 15c2-12 for outstanding obligations of the District. Certain information contained herein is not required to be supplied under such rule and the District is under no obligation to provide this additional information in the future.\*

This Annual Financial Information Statement is not sufficient to base an investment decision on but should be read in conjunction with the original offering document and all subsequent updates.

All financial and other information presented in this Annual Financial Information Statement has been provided by the District from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. No representation is made that past experience, as is shown by the financial and other information, will necessarily continue or be repeated in the future.

Insofar as the statements contained in this Annual Financial Information Statement involve matters of opinion or estimates, even if not expressly stated as such, such statements are made as such and not as representations of fact or certainty, no representation is made that any of such statements have been or will be realized, and such statements should be regarded as suggesting independent investigation or consultation of other sources prior to the making of investment decisions. Certain information may not be current; however, attempts were made to date and document sources of information.

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\* See also “Impact of the COVID-19 Pandemic” in this section.

References herein to provisions of Ohio law, whether codified in the Ohio Revised Code or uncodified, or to the provisions of the Ohio Constitution or the District's resolutions, if any, are references to such provisions as they presently exist. Any of these provisions may from time to time be amended, repealed or supplemented.

As used in this Annual Financial Information Statement:

- “County” means the County of Hamilton, Ohio.
- “District” means the Mt. Healthy City School District.
- “EMMA” means the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board (MSRB).
- “Five Year Forecast(s)” refers to one or more of the annual financial forecasts submitted biannually by the District to the Ohio Department of Education and available from the website thereof.
- “ODE” means the Ohio Department of Education.
- “OMAC” means the Ohio Municipal Advisory Council.
- “State” or “Ohio” means the State of Ohio.

Any addresses of or links to web sites, which may be contained herein, are given for the convenience of the user only. The District has not participated in the preparation, compilation or selection of information on these websites, and therefore presents no warranties or representations of the material contained therein. Further, the District assumes no responsibility or liability for the contents there.

Certain information contained in this Annual Financial Information Statement is attributed to OMAC. OMAC compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guaranty its accuracy. OMAC has not reviewed this Annual Financial Information Statement to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

Additional information concerning this Annual Financial Information Statement, as well as copies of the basic documentation relating to any outstanding obligations of the District, is available from Rebecca J. Brooks, Treasurer, Mt. Healthy City School District, 7615 Harrison Avenue, Cincinnati, Ohio 45231, (513) 729-0077.

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## Note regarding Enrollment Numbers

The enrollment numbers provided herein under the heading “GENERAL INFORMATION AND OPERATING DATA CONCERNING THE BOARD OF EDUCATION AND THE DISTRICT” are compiled as set forth below:

(a) “*Organization of the District – Enrollment by Building*” and “*Enrollment – Student Enrollment*”: Enrollment data in these tables is based on a headcount (the “Headcount Data”) provided in the District’s Education Management Information System (EMIS) report for October (the “October EMIS Report”) of the respective school years and is referred to herein as “Student Enrollment.”

(b) “*Organization of the District – District Enrollment*”: Enrollment data in this table is computed as the Headcount Data from the October EMIS Report, plus enrollment data included in such Report for District students attending school through certain other programs, consisting of: an open enrollment option in other districts, the High Road School (special and alternative education programs), vocational school, and placements out of the District. Such enrollment total is referred to herein as “District Enrollment.”<sup>1</sup>

(c) “*Enrollment – Average Daily Membership (“ADM”) and Funding Calculations*”: Enrollment data is adjusted by ODE to compute the average daily membership (ADM) for school districts in Ohio (such as the District) for funding purposes per funding regulations. The ADM for the District may be higher than the Student Enrollment in some years due to the inclusion of students in the programs listed in clause (b) above.

## Impact of the COVID-19 Pandemic

Please see the attached *Addendum* for additional information provided by the District on a voluntary basis regarding the impact of the COVID-19 Pandemic on its financial position and operations.

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<sup>1</sup> The October EMIS Reports for school years prior to 2022-2023 also included enrollment data for students in the EdChoice program, Jon Peterson Scholarship recipients, and autism scholarship recipients, which was used in computing District Enrollment, but this information is no longer provided.

**GENERAL INFORMATION AND OPERATING DATA CONCERNING  
THE BOARD OF EDUCATION AND THE DISTRICT**

**Organization of the District**

*Student Enrollment by Building.* Effective with the 2022-23 school year the District organization is as follows:

	<b>Grades</b>	<b>Student Enrollment<sup>(a)</sup></b>	<b>Capacity</b>
<i>Early Learning Center<sup>(b)</sup></i>			
	Preschool	89	100
	Kindergarten	179	225
SUBTOTAL (Pre-K Schools)		268	325
<i>2 Elementary Schools</i>			
North	1-6	618	1,200
South	1-6	644	1,200
SUBTOTAL (Elementary Schools)		1262	2,000
<i>1 Junior High School<sup>(c)</sup></i>	7-8	453	575
<i>1 High School<sup>(c)</sup></i>	9-12	812	1,380
<i>Virtual</i>	1-12	74	N/A
<b>TOTAL</b>		<b>2,869</b>	<b>4,680</b>

Source: Records of the Treasurer of the District (EMIS report for October 2022).

<sup>(a)</sup> See “REGARDING THIS ANNUAL FINANCIAL INFORMATION STATEMENT – Note regarding Enrollment Numbers.”

<sup>(b)</sup> The Early Learning Center opened on October 1, 2021. It houses all preschool and kindergarten students.

<sup>(c)</sup> The District’s junior and senior high schools are housed in one single facility.

**Staff.** The District’s administrative staff consists of the following: Superintendent (1), Principals (5), Assistant Principals (12), Central Office Administrators/Coordinators (14), Executive Director of Human Resources/Business (1), Executive Director of Special Services (1), Food Service Director (1), Executive Director Teaching & Learning (1), Treasurer (1) and Assistant Treasurer (1). Support services positions include an athletic director at the high school (1), Dean of Students/Buildings (5), library/media specialists (1), counselors (7), school psychologists (3) (with 4 additional school psychologists contracted through the county educational service center), social workers (7), and speech therapists (1) (with 5 additional speech therapists contracted through the county educational service center), guidance and counseling services and District-wide Title I services. The District employs 251 certified teachers. The District also employs 203 non-instructional classified and exempt staff members, including food service, secretarial, transportation, custodial, maintenance and educational aides.

**Programs for Students with Disabilities.** The District serves the needs of physically and mentally disabled students who reside inside the District. Programs are available which are designed for children with developmental, behavioral, orthopedic, and multiple disabilities, for students with learning disabilities, and for students who need speech and language therapy.

**District Enrollment.** The Student Enrollment for the 2022-2023 school year is 2,869. The District Enrollment for the 2022-2023 school year is 3,830, which is computed as Student Enrollment plus the number of District students in certain other programs, as set forth below:

Student Enrollment	2,869
Open Enrollment in other districts	178
High Roads Program	20
Vocational School	448
Placed out of the District	315
<b>TOTAL DISTRICT ENROLLMENT</b>	<b>3,830</b>

Source: Records of the Treasurer of the District (EMIS report for October 2022). See “REGARDING THIS ANNUAL FINANCIAL INFORMATION STATEMENT – Note regarding Enrollment Numbers.”

**Transportation.** The District transports 79% of its 3,515 enrolled students. The District also transports 273 non-public students, 149 community school students, and 156 of the students placed out of district.

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## Overlapping Governmental Entities

The major political subdivisions overlapping all or a portion of the territory of the District, the approximate percentages of the assessed valuation of such subdivisions located within the District and the corresponding Net Overlapping Debt<sup>†</sup> (excluding self-supporting debt) are as follows:

Subdivision Name	Percent of Assessed Valuation Within School District	Net Debt Overlapping Debt <sup>†</sup>
Mt. Healthy City School District	100.00%	\$20,185,000
Hamilton County	1.54	2,050,749
City of Mt. Healthy	100.00	1,230,000
Colerain Township	6.24	0
Springfield Township	25.53	1,178,210
Great Oaks JVSD	1.49	0
Cincinnati & Hamilton Co. Port Authority	1.54	0
Cincinnati-Hamilton County Public Library	1.54	0
Hamilton County Park District	1.54	0
<b>TOTAL</b>		<b>\$24,643,958</b>

Note: Amounts have been rounded.

NET DEBT			NET OVERALL DEBT		
Total	Per Capita	% of A/V	Total	Per Capita	% of A/V
\$20,185,000	\$803	5.83%	\$24,643,958	\$981	7.12%

Source: OMAC, “Net Overlapping Debt – Excluding Special Assessment and Self-Supporting Debt,” as of March 31, 2023, which date is a benchmark date based on data collected or identified approximately two to four weeks prior to such date.

<sup>†</sup> “Net Overlapping Debt” refers to the portion of the Net Debt of the respective Overlapping Subdivisions as of March 31, 2023, corresponding to the percentage of the assessed valuation of such respective Overlapping Subdivisions (for Tax Year 2021/Collection Year 2022), which is located within the District, all as provided by OMAC.

Each of these entities operates independently under and is governed by Ohio law with its own budget, tax rate and sources of revenue. All such entities may levy unvoted ad valorem property taxes within the “ten-mill limitation”.

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**Board of Education**

The current members of the Board of Education are as follows:

**Board of Education**

<b>Name</b>	<b>Term Expires</b>	<b>Years as Member</b>	<b>Occupation</b>
Dr. Julie Turner, President	12/31/23	10	College Professor
Carole Ellis, Vice President	12/31/25	43	Retired (U.S. Postal Service)
Stephanie Anderson	12/31/25	2	Administrative Assistant
Kimberly Bouldin Bryant	12/31/23	7	Self-employed
Emmett Kilgore	12/31/25	17	EMT/Special Deputy/Retired (US Army)

**Enrollment**

***Student Enrollment.*** Student Enrollment by grade band in the District for the five most recent school years is shown in the table below:

<b>School Year</b>	<b>Pre-K and Kindergarten</b>	<b>1-3</b>	<b>4-5</b>	<b>6-8</b>	<b>9-12</b>	<b>Total Enrollment</b>
2018-2019	195	707	503	752	807	2,964
2019-2020	279	697	495	773	820	3,064
2020-2021	240	619	490	727	852	2,928
2021-2022	304	576	460	697	848	2,885
2022-2023	268	605	443	702	853	2,869

Source: Records of the Treasurer of the District (EMIS report for October 2022). See “REGARDING THIS ANNUAL FINANCIAL INFORMATION STATEMENT – Note regarding Enrollment Numbers.”

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**Average Daily Membership and Funding Calculations.** The Ohio Department of Education (ODE) uses a measure of “Average Daily Membership” (ADM) for funding calculation purposes. “Average Daily Membership” is defined by ODE as the full time equivalency number of public school students residing within a school district’s boundaries or non-resident students who are eligible to attend the district. Certain additional statistical information related to the District’s average daily membership is shown in the table below:

Fiscal Year	K-12 Average Daily Membership <sup>+</sup>	Per Pupil Expenditure General Fund		Per Pupil Assessed Valuation	
		District Average	State Average	District Average	State Average
2016-2017	4,103	\$11,195	\$11,603	\$69,280	\$148,683
2017-2018	3,999	12,669	11,953	73,309	155,016
2018-2019	4,019	13,363	12,472	73,383	162,294
2019-2020	4,156	14,226	12,692	71,028	169,009
2020-2021 <sup>†</sup>	4,172	16,090	13,387	82,738	184,385

Source: Ohio Department of Education (District Profile Reports (Cupp Report))

<sup>†</sup>See “REGARDING THIS ANNUAL FINANCIAL INFORMATION STATEMENT – Note regarding Enrollment Numbers.”

<sup>+</sup>Data for FY 2021-2022 has not been released as of the date of this Annual Financial Information Statement.

**Projected Enrollment (District Enrollment).** Projected District Enrollment is shown in the table below:

School Year	Projected District Enrollment*
2023-2024	4,216
2024-2025	4,259
2025-2026	4,302

Source: Projections are derived from the District’s Master Facility Plan.

\*The figures indicated represent an estimated one percent annual increase in District Enrollment for the 2023-2024 academic year through the 2025-2026 academic year.

## Employees

The Board currently employs 599 employees (including 245 non-teaching and non cert administrative personnel). In FY 2022, the Board paid \$28,241,292 in salaries and wages to its employees and \$9,645,984 for fringe benefits, which include state employer retirement contributions, workers' compensation insurance coverage, unemployment compensation, severance payments, and medical, dental and life insurance premiums. Of the Board's current employees, 394 are certified by the Ohio Department of Education serving as classroom teachers, education specialists and administrators. The starting salary for a teacher with a Bachelor’s degree for the period beginning August 1, 2022 was \$42,526. The maximum teacher salary in the 2022-

2023 school year for a Master’s Degree, plus 30 semester hours, is \$94,080 with at least 25 years of experience.

The District contracts with the Center for Collaborative Solutions to provide substitute teachers and, in 2022-2023, the District paid \$274,775 in substitute teacher fees. Of the Board’s 251 certified classroom teachers and educational specialists, 251 are members of the Mt. Healthy Education Association (“MHEA”) which is a labor organization affiliated with the Ohio Education Association. The present contract between the Board of Education and the MHEA commenced July 1, 2022 and expires June 30, 2025. Historically, the Board of Education and the MHEA have agreed to labor contracts of a 3-year duration with great success through interest based bargaining, with the exception of FY 2022 due to the COVID pandemic.

Of the Board’s 205 non-certificated and professional employees, 101 are members of the Mt. Healthy Classified Employees Association (“MHCEA”). The present contract between the Board of Education and the MHCEA became effective July 1, 2022 and expires June 30, 2024. Historically, the Board of Education and the MHCEA have agreed to labor contracts of a 3-year duration, with the exception of FY 2022 due to the COVID Pandemic.

The number of persons employed by the District, the collective bargaining agents, if any, which represent them and the dates of expiration of the various collective bargaining agreements are set forth below:

<b>No. of Employees 2022-2023</b>	<b>Union</b>	<b>Contract Expiration Date</b>
251	MHEA (certified)	06/30/2025
205	MHCEA (non-certified/professional)	06/30/2024

In the judgment of the District, its employee relations are good, and to the best of the District’s knowledge, there have been no work stoppages in the District.

## **FINANCIAL MATTERS**

### **Financial Condition of the District**

The District has maintained an unencumbered balance in the general operating fund for the last five fiscal years as shown by the following cash basis analysis:

<b>Fiscal Year Ending</b>	<b>Beginning Cash Balance</b>	<b>Receipts</b>	<b>Expenditures</b>	<b>Ending Cash Balance</b>
6/30/18	\$20,755,062	\$44,526,813	\$42,892,605	\$22,389,270
6/30/19	22,389,270	46,763,638	45,112,161	24,040,746
6/30/20	24,040,746	46,416,609	46,629,368	23,827,987
6/30/21	23,827,987	47,470,406	48,992,487	22,305,906
6/30/22	22,305,906	43,169,966	45,237,084	20,238,788

Source: Records of the Treasurer of the District and District’s Five Year Forecasts

## AD VALOREM TAX REVENUES

### Assessed Valuation of the District

The assessed valuation of property within the District subject to levy of ad valorem taxes as indicated in the following table:

<b>Tax Year</b>	<b>Collection Year</b>	<b>Real<sup>(a)</sup></b>	<b>Tangible Personal<sup>(b)</sup></b>	<b>Public Utility<sup>(c)</sup></b>	<b>Total A/V</b>	<b>% Increase/Decrease Over Previous Year</b>
2018	2019	\$278,562,820	-0-	\$16,390,600	\$294,953,420	N/A
2019	2020	277,972,580	-0-	17,190,190	295,162,770	0.07%
2020 <sup>(d)</sup>	2021	327,295,140	-0-	17,924,690	345,219,830	16.96%
2021	2022	327,406,480	-0-	18,908,170	346,314,650	0.32%
2022	2023	327,932,920	-0-	19,822,110	347,755,030	0.42%

(a) Including public utility

(b) Reflects phase-out of tangible personal property

(c) Tangible personal only

(d) Triennial update year for Hamilton County.

Source: Hamilton County Auditor

### Largest Taxpayers

The largest taxpayers within the District for Tax Year 2022 (Collection Year 2023) are shown in the following table:

	<b>Taxpayer</b>	<b>Total Assessed Valuation (Real and Personal Property)</b>	<b>% of Total Assessed Valuation</b>
1.	Duke Energy Ohio, Inc.	\$19,864,580	5.71%
2.	Mercy Franciscan Senior Health & Housing Services Inc.	4,345,810	1.25%
3.	NK CINN Hamilton Property LLC	3,147,320	0.91%
4.	Clovernook Apartments LLC	2,654,030	0.76%
5.	VB One LLC	2,642,380	0.76%
6.	Fath Lake of the Woods LLC	2,530,300	0.73%
7.	CCP Burlington House 2702 LP	1,769,380	0.51%
8.	NREA VB III LLC	1,755,330	0.50%
9.	NREA VB IV LLC	1,692,570	0.49%
10.	Woodcreek Nursing Home LLC	1,620,940	0.47%
	<b>TOTAL</b>	<b>\$42,022,640</b>	<b>12.08%</b>
	<b>Total Assessed Valuation for the District (TY 2022)</b>	<b>\$347,755,030</b>	

Source: Hamilton County Auditor

## Collections and Delinquencies of Ad Valorem Taxes

The following table sets forth the amounts billed for ad valorem real estate and public utility taxes and tangible personal property taxes for the District on the tax duplicate for the collection years shown:

### Real Estate and Public Utility Property Tax Collections

Collection Year	Current Taxes Levied	Current Taxes Collected	Percentage Collected	Delinquent Taxes Billed	Delinquent Taxes Collected	Percentage Collected
2018	\$15,065,744	\$14,396,205	95.56%	\$1,512,305	\$573,448	37.92%
2019	15,129,942	14,531,164	96.04	1,687,615	738,334	43.75
2020	15,046,161	14,575,998	96.88	1,655,201	675,516	40.81
2021	15,848,076	15,141,750	95.54	1,438,067	483,457	33.62
2022	15,821,731	15,308,344	96.76	1,662,995	629,838	37.87

Source: Hamilton County Auditor

## Unvoted and Voted Taxes for Local Purposes

The following chart lists the rates of taxation for the General Fund and Bond Retirement Fund of the District for the valuation years shown below:

### Rates of Taxation

Year	FULL			RESIDENTIAL/AGRICULTURAL			COMMERCIAL/INDUSTRIAL		
	Inside	Outside	Total	Inside	Outside	Total	Inside	Outside	Total
2018 Valuation 2019 Collection	4.56	70.85	75.41	4.56	44.974063	49.534063	4.56	47.790565	52.350565
2019 Valuation 2020 Collection	4.56	70.35	74.91	4.56	44.507415	49.067415	4.56	47.485248	52.045248
2020 Valuation 2021 Collection	4.56	70.35	74.91	4.56	38.626270	43.186270	4.56	45.504998	50.064998
2021 Valuation 2022 Collection	4.56	70.35	74.91	4.56	38.652278	43.212278	4.56	45.499213	50.059213
2022 Valuation 2023 Collection	4.56	70.35	74.91	4.56	38.660569	43.220569	4.56	45.396353	49.956353

Source: Hamilton County Auditor

## Sources of Income

The following chart shows the sources of income for the General Fund of the District for the fiscal years shown below:

	2018	2019	2020	2021	2022
Real Estate	\$9,822,947	\$10,075,561	\$10,105,492	\$10,073,598	\$10,975,897
Tangible Personal Property	1,141,968	1,008,056	1,123,521	1,082,047	599,671
Unrestricted State Grants	26,611,871	28,158,593	30,175,920	28,112,846	25,795,141
Restricted State Grants	3,187,114	3,371,399	1,039,293	3,279,051	1,910,800
Property Tax Allocation	1,605,984	1,502,379	1,664,841	1,553,810	1,515,949
All Other Revenue	1,542,345	2,199,910	2,015,878	1,473,409	1,987,060
<b>Total Revenues</b>	<b>43,912,229</b>	<b>46,315,898</b>	<b>46,124,945</b>	<b>45,574,761</b>	<b>42,784,518</b>
Operating Transfers-In	13,733	-0-	-0-	-0-	0
Advances-In	269,437	1,835	-0-	-0-	0
All Other Financing Sources	331,414	445,905	291,664	1,895,645	385,448
<b>Total Other Financing Sources</b>	<b>614,584</b>	<b>447,740</b>	<b>291,664</b>	<b>1,895,645</b>	<b>385,448</b>
<b>GRAND TOTALS</b>	<b>\$44,526,813</b>	<b>\$46,763,638</b>	<b>\$46,416,609</b>	<b>\$47,470,406</b>	<b>\$43,169,966</b>

Source: District's Five Year Forecast

## Voting Records

The following tables show the history of elections for the District since 1985, during which time the voters of the District have approved 32% of the proposed bond issues and tax levies.

### History of Bond Issue Elections

Date	Bond Issue Amount	For	Against	% For	Purpose
02/06/07*	\$33,000,000	1,574	1,328	54.24	School Improvement
11/07/06	33,000,000	4,057	4,098	49.75	School Improvement

\* Issues passed by voters of the District

Source: Ohio Municipal Advisory Council

### History of Tax Levies

Date	Millage	For	Against	% For	Purpose	Years
11/06/12	7.650	5,586	6,468	46.34	Current Expense	Continuous
03/06/12	7.650	1,667	2,675	38.39	Current Expense	Continuous
11/08/11	7.650	2,813	4,564	38.13	Current Expense	Continuous
08/02/11	7.650	565	1,886	23.05	Current Expense	Continuous
02/08/11	0.000	425	1,494	22.15	Current Expense	Continuous
11/02/10	7.650	3,458	5,019	40.79	Current Expense	Continuous
11/03/09*	1.390	4,000	2,936	57.67	Emergency	5
08/04/09	1.390	913	995	47.85	Emergency	5
02/03/09	7.950	467	1,314	26.22	Current Expense	Continuous
11/04/08	7.950	5,185	6,792	43.29	Current Expense	Continuous
02/06/07*	0.500	1,574	1,328	54.24	Permanent Improvement	23
11/07/06	0.500	4,057	4,098	49.75	Permanent Improvement	23
08/03/04*	1.540	1,487	1,174	55.88	Emergency	5

<b>Date</b>	<b>Millage</b>	<b>For</b>	<b>Against</b>	<b>% For</b>	<b>Purpose</b>	<b>Years</b>
11/04/03*	6.950	3,142	2,917	51.86	Current Expense	Continuous
05/06/03	6.950	1,285	2,168	37.21	Current Expense	Continuous
02/04/03	6.950	1,336	2,067	39.26	Current Expense	Continuous
11/05/02	6.950	2,777	4,165	40.00	Current Expense	Continuous
08/06/02	8.990	694	1,471	32.06	Permanent Improvement	Continuous
08/03/99*	1.890	1,422	823	63.34	Current Expense	5
02/03/98*	6.990	2,164	2,024	51.67	Current Expense	Continuous
11/04/97	5.570	3,066	3,944	43.74	Current Expense	Continuous
08/05/97	8.350	1,104	1,859	37.26	Current Expense	Continuous
05/06/97	8.350	1,526	2,072	42.41	Current Expense	Continuous
11/08/94*	2.170	4,511	3,474	56.49	Current Expense	5
08/02/94	2.250	1,224	1,327	47.98	Current Expense	Continuous
05/03/94	2.250	1,779	2,405	42.52	Current Expense	Continuous
08/04/92*	8.350	3,207	2,985	51.79	Current Expense	Continuous
06/02/92	8.350	2,646	3,015	46.74	Emergency	5
11/05/91	7.920	3,700	4,117	47.33	Current Expense	Continuous
05/07/91	10.140	2,561	3,119	45.09	Current Expense	5
02/05/91	10.180	1,573	2,861	35.48	Current Expense	5
05/02/89*	2.720	1,961	1,121	63.63	Current Expense	5
05/05/87*	3.000	1,459	890	62.11	Current Expense	2
08/06/85*	3.020	1,925	1,906	50.25	Current Expense	2
05/07/85	3.030	1,900	2,241	45.88	Current Expense	2

\* Issues passed by voters of the District

Source: Ohio Municipal Advisory Council

### History of Income Tax Levies

<b>Date</b>	<b>For</b>	<b>Against</b>	<b>% For</b>	<b>Purpose</b>	<b>Years</b>
11/06/90	2,220	6,419	25.70	Current Expense	N/A

\* Issues passed by voters of the District

Source: Ohio Municipal Advisory Council

### **State Funding Program**

Public schools in Ohio receive financial assistance from the State. There are certain requirements for receipt of state funding; for example, the District must levy at least 20 mills for operating purposes, certain reporting and accounting requirements must be met, schools in the district must be open for a minimum number of days or hours for instructional purposes, and teachers' salaries must meet certain criteria. Failure to comply with these requirements may result in the elimination or reduction of benefits received by a school district.

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The District currently participates in the State Funding Program. As shown in the following table, the District relied on the State Funding Program for approximately 64.76% of its operating revenues:

<b>Fiscal Year</b>	<b>General Fund Revenues<sup>(a)</sup></b>	<b>State Funding Program<sup>(b)</sup></b>	<b>Percentage of General Fund Revenues Consisting of State Programs</b>
2017-2018	43,912,229	29,798,985	67.86
2018-2019	46,315,898	31,529,992	68.08
2019-2020	46,124,945	31,215,213	67.68
2020-2021	45,574,761	31,391,897	68.88
2021-2022	42,784,518	27,705,941	64.76

<sup>(a)</sup> General fund revenue totals presented in this table exclude operating transfers-in, advances-in and other financing sources.

<sup>(b)</sup> The funding formula for the Foundation Program is subject to change by the Ohio General Assembly. The numbers in the table above reflect a variety of funding methodologies applicable at specific points in time.

Source: Records of the Treasurer of the District and Five Year Forecast of the District

See also the “2022 ADDENDUM - VOLUNTARY DISCLOSURE REGARDING THE IMPACT OF THE COVID-19 PANDEMIC – Additional Information - *Reductions in State Funding*” attached hereto.

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**BOARD OF EDUCATION DEBT AND OTHER LONG-TERM OBLIGATIONS**

**Principal Amounts of Outstanding Debt;  
Leeway for Additional Debt Within Direct Debt Limitations**

*(As of March 1, 2023)*

Tax Valuation*		\$347,755,030.00
Total Debt		\$29,500,000.00
Less Exempt Debt		(9,315,000.00)
Total non-exempt debt		\$20,185,000.00
1/10th of 1% of tax valuation (unvoted debt limitation)		\$347,755.03
Less total limited tax non-exempt bonds outstanding		(0.00)
Debt leeway within the 1/10th of 1% unvoted debt limitation but subject to indirect debt limitation		\$347,755.03
9/10 of 1% of tax valuation (unvoted debt limitation)		\$3,129,795.27
Less total limited tax non-exempt bonds outstanding		(0.00)
Debt leeway within the 9/10 of 1% unvoted debt limitation but subject to indirect debt limitation		\$3,129,795.27
9% of tax valuation (voted and unvoted debt limitation)		\$31,297,952.70
Total non-exempt bonds outstanding	\$20,185,000.00	
Less balance in Bond Retirement Fund (12/31/2019)	(0.00)	
Less net Non-exempt Debt	(20,185,000.00)	
Debt leeway within debt limitation		<u>\$11,112,952.70</u>

\*Source: Hamilton County Auditor

**Outstanding General Obligation Debt**

The District has the following outstanding bonds, notes and other debt obligations as of the date hereof:

**General Obligation Bonds**

Date of Original Issue	Purpose	Interest Rate	Original Amount Issued	Final Maturity	Amount Outstanding
03/24/15	School Improvement Refunding <sup>1</sup>	3.625-5.00%	\$25,565,000	12/01/35	\$20,185,000

<sup>1</sup> Refers to the Board of Education of the Mt. Healthy City School District School Improvement Unlimited Tax General Obligation Refunding Bonds, Series 2015.

**General Obligation Bond Anticipation Notes**

The District does not have any outstanding general obligation bond anticipation notes as of the date hereof.

## Other Outstanding Obligations

The District has the following outstanding certificates of participation (subject to annual appropriation) as of the date hereof.

### Certificates of Participation

<u>Date of Original Issue</u>	<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Amount Issued</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
09/08/20	School Facilities Project <sup>(a)</sup>	2.000%-4.000%	\$10,500,000	12/01/2039	\$9,315,000

<sup>(a)</sup> Refers to the \$10,500,000 Certificates of Participation, Series 2020, School Facilities Project, evidencing Proportionate Interests in Base Rent to be paid by the Board of Education of the Mt. Healthy City School District (the "Series 2020 Certificates"). The Series 2020 Certificates are not considered debt for state law purposes.

## Other Lease Obligations

The District currently has various leases for copiers and office equipment for use by the District. The total monthly payments on those leases are \$12,600 with a term of 5 years for each lease.

The following is a schedule of the remaining future long-term minimum lease payments required under capital leases and the present value of the minimum lease payments as of June 30, 2022:

<b>Fiscal Year Ending June 30</b>	<b>Total Payments</b>
2022	\$151,121
2023	151,121
Total Minimum Lease Payments	\$302,242
Less: Amount Representing Interest	(17,800)
Present Value of Minimum Lease Payments	\$284,442

Further, the District has entered into a rental agreement with the Revelation Missionary Baptist Church for housing the High Roads Academy Program. The rental agreement commenced on August 1, 2020 and will end on July 31, 2025. The total monthly payments under the rental agreement are \$1,500 or \$18,000 annually. The District also pays an extra \$70 per month to offset gas/electricity costs.

## Future Financings

The District has no plans for financings within the next year other than routine capital expenditures in the normal course of business, as further summarized in the notes with respect to Line 3.050 (Capital Outlay) in the District's Five Year Forecast, attached as *Appendix C* hereto.

## Pension Obligations

The tables below show the employee and employer contributions to the retirement programs of certificated and classified employees of the District for the fiscal years shown:

### State Teachers' Retirement - Certificated Employees

Member Contribution			Employer Contribution	
Year	Percent	\$ Amount	Percent	\$ Amount
2017-18	14%	2,239,506	14%	2,239,506
2018-19	14	2,426,059	14	2,426,059
2019-20	14	2,542,709	14	2,542,709
2020-21	14	2,732,848	14	2,732,848
2021-22	14	3,953,766	14	3,953,766

### School Employee Retirement - Classified Employees

Member Contribution			Employer Contribution	
Year	Percent	\$ Amount	Percent	\$ Amount
2017-18	10%	371,150	14%	519,610
2018-19	10	435,325	14	609,455
2019-20	10	556,718	14	779,405
2020-21	10	529,290	14	741,006
2021-22	10	538,300	14	753,620

Source: Records of the Treasurer of the District. This includes all funds of the District that have salary line items.

With the implementation of GASB Statement No. 68, “*Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27,*” and GASB Statement No. 71, “*Pension Transition for Contributions Made Subsequent to the Measurement of Date – an Amendment of GASB Statement No. 68,*” as of June 30, 2022, the District had the net pension liability (unaudited) reported and explained in Note 9 in the “Notes to the Basic Financial Statements” and Note 2 in the “Notes to the Required Supplementary Information” included in the unaudited Basic Financial Statements for the year ended June 30, 2022 (the “FY 2022 Unaudited Financial Statements”), attached as *Appendix A* hereto.

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**CONCLUDING STATEMENT**

This Annual Financial Information Statement has been duly authorized and prepared by, and executed and delivered for and on behalf of, the Board of Education by its President and Treasurer.

**BOARD OF EDUCATION OF THE  
MT. HEALTHY CITY SCHOOL DISTRICT**

By: /s/ Carole M. Ellis  
President

By: /s/ Rebecca J. Brooks  
Treasurer

Dated: March 1, 2023

**APPENDIX A  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

***NOTICE OF STATUS OF AUDITED ANNUAL FINANCIAL STATEMENTS***

The audited financial statements of the District for the fiscal year ended June 30, 2022 (the “FY 2022 Audited Financial Statements”) are not anticipated to be released by the Ohio State Auditor prior to the District’s annual continuing disclosure filing date on March 1, 2023.

The unaudited financial statements for the fiscal year ended June 30, 2022 (the “FY 2022 Unaudited Financial Statements”) are available at this time and attached hereto.

The FY 2022 Audited Financial Statements will be filed within a reasonable time period after they are released by the Ohio State Auditor. Audited financial statements, when released, can be found at the website of the Ohio State Auditor at:

<https://ohioauditor.gov/auditsearch/Search.aspx>

**Mt. Healthy City School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
**(Unaudited)**

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The discussion and analysis of Mt. Healthy City School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's performance.

**Financial Highlights**

Key financial highlights for 2022 are as follows:

- Net Position of governmental activities decreased \$700,499 which represents a 3% decrease from 2021.
- General revenues accounted for \$36,414,568 in revenue or 65% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$19,977,725 or 35% of total revenues of \$56,392,293.
- The District had \$57,092,792 in expenses related to governmental activities; \$19,977,725 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$36,414,568 were also used to provide for these programs.

**Overview of the Financial Statements**

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

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

**Government-wide Financial Statements**

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?" The Government-wide Financial Statements answer this question. These statements include *all assets and deferred outflows of resources, and liabilities and deferred inflows of resources* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Mt. Healthy City School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
(Unaudited)

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These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, the overall financial position of the District is presented as Governmental Activities. The District's programs and services include instruction, support services, operation of non-instructional services, extracurricular activities, and interest and fiscal charges.

**Fund Financial Statements**

The analysis of the District's major funds are presented in the Fund Financial Statements. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

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

**Fiduciary Funds** Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is similar to proprietary funds.

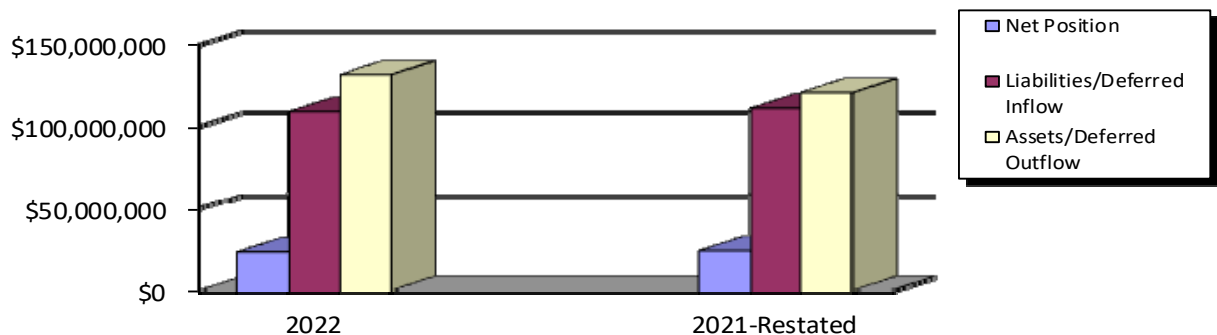
**The District as a Whole**

As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2022 compared to 2021:

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**Mt. Healthy City School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
(Unaudited)

	Governmental Activities	
	2022	2021 - Restated
<b>Assets:</b>		
Current and Other Assets	\$38,129,260	\$43,650,586
Net OPEB Asset	3,342,949	2,764,945
Capital Assets	74,027,108	73,255,638
<b>Total Assets</b>	<b>115,499,317</b>	<b>119,671,169</b>
<b>Deferred Outflows of Resources:</b>		
Deferred Charge on Refunding	1,229,094	1,320,138
OPEB	1,760,898	1,880,325
Pension	13,037,114	11,343,232
<b>Total Deferred Outflows of Resources</b>	<b>16,027,106</b>	<b>14,543,695</b>
<b>Liabilities:</b>		
Other Liabilities	6,636,070	5,809,788
Long-Term Liabilities	65,669,844	90,425,372
<b>Total Liabilities</b>	<b>72,305,914</b>	<b>96,235,160</b>
<b>Deferred Inflows of Resources:</b>		
Property Taxes	8,883,586	8,087,711
OPEB	5,999,420	5,481,373
Pension	21,196,344	568,962
<b>Total Deferred Inflows of Resources</b>	<b>36,079,350</b>	<b>14,138,046</b>
<b>Net Position:</b>		
Net Investment in Capital Assets	41,986,244	42,450,243
Restricted	3,371,531	3,181,967
Unrestricted	(22,216,616)	(21,790,552)
<b>Total Net Position</b>	<b>\$23,141,159</b>	<b>\$23,841,658</b>



Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2022, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$23,141,159.



**Mt. Healthy City School District**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
(Unaudited)

At year-end, capital assets represented 64% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment, and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2022, was \$41,986,244. These capital assets are used to provide services to the students and are not available for future spending. Although the District’s investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District’s net position, \$3,371,531 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Capital Assets increased mainly due to current year additions exceeding current year depreciation expense. Long-Term Liabilities increased mainly due to the increase in Net Pension Liability.

Table 2 shows the changes in net position for fiscal years 2022 and 2021.

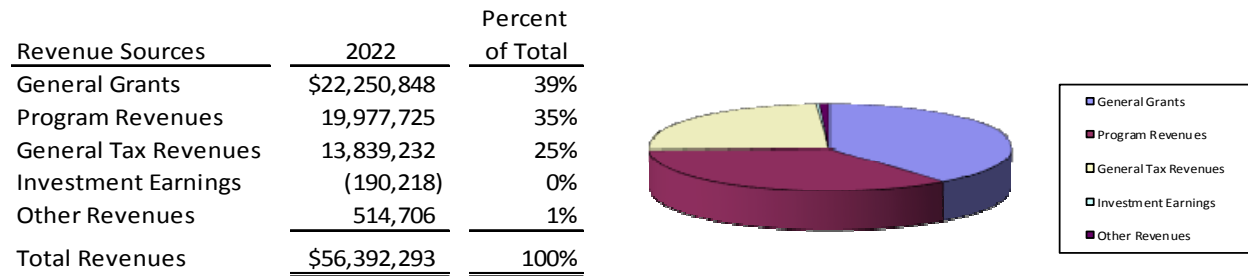
**Table 2**  
**Changes in Net Position**

	Governmental Activities	
	2022	2021-Restated
Revenues:		
Program Revenues		
Charges for Services and Sales	\$824,671	\$670,447
Operating Grants, Contributions	19,153,054	12,314,060
General Revenues:		
Property Taxes	13,839,232	17,974,446
Grants and Entitlements	22,250,848	29,268,929
Other	324,488	2,025,454
Total Revenues	<u>56,392,293</u>	<u>62,253,336</u>
Program Expenses:		
Instruction	27,639,066	37,779,063
Support Services:		
Pupil and Instructional Staff	7,836,557	8,914,033
School Administration, General		
Administration, Fiscal and Business	6,017,767	5,458,846
Operations and Maintenance	5,350,901	4,433,105
Pupil Transportation	4,623,335	4,411,672
Central	387,621	361,295
Operation of Non-Instructional Services	3,117,771	2,514,801
Extracurricular Activities	876,042	904,411
Interest and Fiscal Charges	1,243,732	1,423,313
Total Program Expenses	<u>57,092,792</u>	<u>66,200,539</u>
Change in Net Position	(700,499)	(3,947,203)
Net Position Beginning of Year, restated	<u>23,841,658</u>	<u>27,788,861</u>
Net Position End of Year	<u>\$23,141,159</u>	<u>\$23,841,658</u>

**Mt. Healthy City School District  
Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022  
(Unaudited)**

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The District revenues are mainly from three sources. Property taxes levied for general, special revenue and debt service purposes, program revenues, and grants and entitlements comprised 99% of the District’s revenues for governmental activities. The District’s reliance upon tax revenues is demonstrated in the following graph:



The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. 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.

Thus, Ohio districts dependent upon property taxes could be hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 25% of revenue for governmental activities for the District in fiscal year 2022.

Total revenues decreased from the prior year due to a decrease in property tax revenues. Total expenses decreased mainly due to changes related to net pension liability and other post employment benefits liability.

Instruction comprises 48% of governmental program expenses. Support services expenses were 42% of governmental program expenses. All other expenses including interest and fiscal charges were 9%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

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

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**Mt. Healthy City School District**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**  
(Unaudited)

**Table 3**  
**Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2022	2021-Restated	2022	2021-Restated
Instruction	\$27,639,066	\$37,779,063	(\$16,643,833)	(\$30,757,049)
Support Services:				
Pupil and Instructional Staff	7,836,557	8,914,033	(4,920,993)	(6,515,219)
School Administration, General				
Administration, Fiscal and Business	6,017,767	5,458,846	(4,747,280)	(5,042,354)
Operations and Maintenance	5,350,901	4,433,105	(5,288,690)	(4,178,770)
Pupil Transportation	4,623,335	4,411,672	(3,492,347)	(2,604,391)
Central	387,621	361,295	(387,621)	(361,295)
Operation of Non-Instructional Services	3,117,771	2,514,801	367,862	(1,471,901)
Extracurricular Activities	876,042	904,411	(758,433)	(861,740)
Interest and Fiscal Charges	1,243,732	1,423,313	(1,243,732)	(1,423,313)
Total Expenses	<u>\$57,092,792</u>	<u>\$66,200,539</u>	<u>(\$37,115,067)</u>	<u>(\$53,216,032)</u>

**The District’s Funds**

The District has two major governmental funds: the General Fund and the American Rescue Plan Act Fund. Assets of these funds comprised \$32,890,731 (84%) of the total \$38,930,562 governmental funds’ assets.

**General Fund:** Fund balance at June 30, 2022 was \$18,232,554, a decrease in fund balance of \$4,695,994 from 2021. The primary reason for the decrease in fund balance was due to a decrease in property tax revenues and intergovernmental revenues.

**American Rescue Plan Act Fund:** Fund balance at June 30, 2022 was \$373,958.

**General Fund Budgeting Highlights**

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

During the course of fiscal year 2022, the District amended its general fund budget. The 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 original budget basis revenue was \$42,212,966 compared to final budget estimates of \$42,212,966.

The District’s ending unobligated cash balance was \$14,800,633.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2022, the District had \$74,027,108 invested in land, construction in progress, land improvements, buildings and improvements, equipment, and vehicles. Table 4 shows fiscal year 2022 balances compared to fiscal year 2021:

**Mt. Healthy City School District  
Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022  
(Unaudited)**

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**Table 4  
Capital Assets, Net of Depreciation**

	Governmental Activities	
	2022	2021
Land	\$1,624,962	\$1,624,962
Construction in Progress	11,990,452	9,363,716
Land Improvements	1,359,805	1,622,795
Buildings and Improvements	56,724,610	58,774,151
Equipment	2,109,935	1,689,761
Vehicles	217,344	180,253
Total Net Capital Assets	<u>\$74,027,108</u>	<u>\$73,255,638</u>

The increase in capital assets is due to current year additions exceeding current year depreciation expense.

See Note 7 to the basic financial statements for further details on the District’s capital assets.

**Debt**

At June 30, 2022, the District had \$33,932,081 in debt outstanding and \$1,840,000 due within one year. Table 5 summarizes outstanding debt at year end.

**Table 5  
Outstanding Debt, at Year End**

	Governmental Activities	
	2022	2021
2015 Refunding Bonds	\$21,270,000	\$22,305,000
2015 Refunding Bonds - Premium	2,362,567	2,537,572
2020 Certificates of Participation	9,715,000	10,100,000
2020 Certificates of Participation - Premium	584,514	616,987
Total Debt Outstanding	<u>\$33,932,081</u>	<u>\$35,559,559</u>

See Note 8 to the basic financial statements for further details on the District’s outstanding debt.

**For the Future**

The 133<sup>rd</sup> General Assembly enacted HB 59 which introduced new spending mandates and increased deductions from public school districts to fund charter and non-public options. These funding limits, spending mandates and deduction increases all have to be taken into account in monitoring the operation of the District and future decisions on pursuing additional revenue or expenditure reductions. This scenario requires management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

**Mt. Healthy City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022  
(Unaudited)**

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All of the District's financial abilities will be needed to meet the challenges of the future. With careful planning and monitoring of the District's finances, the District's management is confident that the District can continue to provide a quality education for our students and provide a secure financial future.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer at Mt. Healthy City School District, 7615 Harrison Avenue, Cincinnati, Ohio 45231, Phone Number 513-728-4442.

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Mt. Healthy City School District  
Statement of Net Position  
June 30, 2022

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$20,789,873
Restricted Cash and Investments	168,887
Receivables (Net):	
Taxes	15,979,907
Interest	13,472
Intergovernmental	1,061,788
Prepays	39,510
Inventory	75,823
Nondepreciable Capital Assets	13,615,414
Depreciable Capital Assets, Net	60,411,694
Net OPEB Asset	3,342,949
Total Assets	<u>115,499,317</u>
Deferred Outflows of Resources:	
Deferred Charge on Refunding	1,229,094
Pension	13,037,114
OPEB	1,760,898
Total Deferred Outflows of Resources	<u>16,027,106</u>
Liabilities:	
Accounts Payable	1,497,570
Accrued Wages and Benefits	4,522,890
Contracts Payable	508,310
Accrued Interest Payable	107,300
Long-Term Liabilities:	
Due Within One Year	1,840,000
Due In More Than One Year	
Net Pension Liability	26,924,170
Net OPEB Liability	3,510,794
Other Amounts	33,394,880
Total Liabilities	<u>72,305,914</u>
Deferred Inflows of Resources:	
Property Taxes	8,883,586
Pension	21,196,344
OPEB	5,999,420
Total Deferred Inflows of Resources	<u>36,079,350</u>
Net Position:	
Net Investment in Capital Assets	41,986,244
Restricted for:	
Debt Service	2,287,837
Capital Projects	3,552
Locally Funded Programs	17,283
Classroom Facilities Maintenance	97,462
Student Activities	35,480
State Funded Programs	1,800
Federally Funded Programs	367,118
Food Service Operations	560,999
Unrestricted	<u>(22,216,616)</u>
Total Net Position	<u><u>\$23,141,159</u></u>

See accompanying notes to the basic financial statements.

Mt. Healthy City School District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2022

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$16,222,237	\$563,794	\$3,152,124	(\$12,506,319)
Special	10,765,366	101,279	6,595,613	(4,068,474)
Vocational	38,448	0	0	(38,448)
Other	613,015	0	582,423	(30,592)
<b>Support Services:</b>				
Pupil	4,475,943	1,192	1,904,524	(2,570,227)
Instructional Staff	3,360,614	46	1,009,802	(2,350,766)
General Administration	241,898	0	0	(241,898)
School Administration	4,623,504	0	1,270,212	(3,353,292)
Fiscal	930,732	0	275	(930,457)
Business	221,633	0	0	(221,633)
Operations and Maintenance	5,350,901	10,140	52,071	(5,288,690)
Pupil Transportation	4,623,335	0	1,130,988	(3,492,347)
Central	387,621	0	0	(387,621)
Operation of Non-Instructional Services	3,117,771	35,826	3,449,807	367,862
Extracurricular Activities	876,042	112,394	5,215	(758,433)
Interest and Fiscal Charges	1,243,732	0	0	(1,243,732)
<b>Totals</b>	<b>\$57,092,792</b>	<b>\$824,671</b>	<b>\$19,153,054</b>	<b>(37,115,067)</b>

<b>General Revenues:</b>	
Property Taxes Levied for:	
General Purposes	11,468,867
Special Revenue Purposes	127,155
Debt Service Purposes	2,243,210
Grants and Entitlements, Not Restricted	22,250,848
Revenue in Lieu of Taxes	11,120
Unrestricted Contributions	13,878
Investment Earnings	(190,218)
Other Revenues	489,708
<b>Total General Revenues</b>	<b>36,414,568</b>
<b>Change in Net Position</b>	<b>(700,499)</b>
<b>Net Position - Beginning of Year, Restated</b>	<b>23,841,658</b>
<b>Net Position - End of Year</b>	<b>\$23,141,159</b>

See accompanying notes to the basic financial statements.

Mt. Healthy City School District  
Balance Sheet  
Governmental Funds  
June 30, 2022

	General	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$17,184,964	\$1,381,895	\$2,223,014	\$20,789,873
Restricted Cash and Investments	168,887	0	0	168,887
<b>Receivables (Net):</b>				
Taxes	13,304,449	0	2,675,458	15,979,907
Interest	13,472	0	0	13,472
Intergovernmental	0	0	1,061,788	1,061,788
Interfund	801,302	0	0	801,302
Prepays	32,074	3,688	3,748	39,510
Inventory	0	0	75,823	75,823
<b>Total Assets</b>	<b>31,505,148</b>	<b>1,385,583</b>	<b>6,039,831</b>	<b>38,930,562</b>
<b>Liabilities:</b>				
Accounts Payable	1,060,030	186,894	250,646	1,497,570
Accrued Wages and Benefits	3,476,706	421,571	624,613	4,522,890
Contracts Payable	0	403,160	105,150	508,310
Interfund Payable	0	0	801,302	801,302
<b>Total Liabilities</b>	<b>4,536,736</b>	<b>1,011,625</b>	<b>1,781,711</b>	<b>7,330,072</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	8,724,449	0	1,730,458	10,454,907
Grants and Other Taxes	0	0	311,845	311,845
Investment Earnings	11,409	0	0	11,409
<b>Total Deferred Inflows of Resources</b>	<b>8,735,858</b>	<b>0</b>	<b>2,042,303</b>	<b>10,778,161</b>
<b>Fund Balances:</b>				
Nonspendable	32,074	3,688	3,748	39,510
Restricted	0	370,270	2,913,637	3,283,907
Assigned	16,904,318	0	0	16,904,318
Unassigned	1,296,162	0	(701,568)	594,594
<b>Total Fund Balances</b>	<b>18,232,554</b>	<b>373,958</b>	<b>2,215,817</b>	<b>20,822,329</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$31,505,148</b>	<b>\$1,385,583</b>	<b>\$6,039,831</b>	<b>\$38,930,562</b>

See accompanying notes to the basic financial statements.



Mt. Healthy City School District  
 Reconciliation of Total Governmental Fund Balance to  
 Net Position of Governmental Activities  
 June 30, 2022

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Total Governmental Fund Balance		\$20,822,329
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.		
Capital assets used in the operation of Governmental Funds		74,027,108
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Taxes	1,571,321	
Interest	11,409	
Intergovernmental	311,845	
		1,894,575
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
		(107,300)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(1,302,799)
Deferred charge on refunding associated with long-term liabilities that are not reported in the funds.		
		1,229,094
Deferred outflows and inflows or resources related to pensions and OPEBs are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	13,037,114	
Deferred inflows of resources related to pensions	(21,196,344)	
Deferred outflows of resources related to OPEB	1,760,898	
Deferred inflows of resources related to OPEB	(5,999,420)	
		(12,397,752)
Long-term liabilities and net OPEB assets are not available to pay for current period expenditures and are not due and payable in the current period and, therefore, are not reported in the funds.		
Net OPEB Asset	3,342,949	
Net Pension Liability	(26,924,170)	
Net OPEB Liability	(3,510,794)	
Other Amounts	(33,932,081)	
		(61,024,096)
Net Position of Governmental Activities		<u>\$23,141,159</u>

See accompanying notes to the basic financial statements.

Mt. Healthy City School District  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2022

	General	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property and Other Taxes	\$11,571,165	\$0	\$2,389,738	\$13,960,903
Tuition and Fees	677,333	0	0	677,333
Investment Earnings	(185,614)	0	0	(185,614)
Intergovernmental	28,195,773	5,668,544	7,528,851	41,393,168
Extracurricular Activities	7,053	0	106,741	113,794
Charges for Services	0	0	36,021	36,021
Other Revenues	454,584	0	38,051	492,635
<b>Total Revenues</b>	<b>40,720,294</b>	<b>5,668,544</b>	<b>10,099,402</b>	<b>56,488,240</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	14,544,177	1,925,856	13,131	16,483,164
Special	8,909,138	347,779	2,294,005	11,550,922
Vocational	38,448	0	0	38,448
Other	642,727	0	914	643,641
<b>Support Services:</b>				
Pupil	3,661,805	416,692	739,253	4,817,750
Instructional Staff	2,682,955	31,303	1,026,407	3,740,665
General Administration	251,642	0	0	251,642
School Administration	3,888,086	643,584	238,065	4,769,735
Fiscal	971,284	0	46,260	1,017,544
Business	236,649	0	0	236,649
Operations and Maintenance	4,481,785	1,252	151,777	4,634,814
Pupil Transportation	3,656,082	87,305	283,700	4,027,087
Central	256,057	0	13,186	269,243
Operation of Non-Instructional Services	170,492	272,578	2,832,771	3,275,841
Extracurricular Activities	796,790	0	169,974	966,764
Capital Outlay	50,210	1,568,392	2,359,941	3,978,543
<b>Debt Service:</b>				
Principal Retirement	0	0	1,420,000	1,420,000
Interest and Fiscal Charges	0	0	1,365,575	1,365,575
<b>Total Expenditures</b>	<b>45,238,327</b>	<b>5,294,741</b>	<b>12,954,959</b>	<b>63,488,027</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(4,518,033)</b>	<b>373,803</b>	<b>(2,855,557)</b>	<b>(6,999,787)</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	22,190	0	300	22,490
Transfers In	0	0	200,151	200,151
Transfers (Out)	(200,151)	0	0	(200,151)
<b>Total Other Financing Sources (Uses)</b>	<b>(177,961)</b>	<b>0</b>	<b>200,451</b>	<b>22,490</b>
<b>Net Change in Fund Balance</b>	<b>(4,695,994)</b>	<b>373,803</b>	<b>(2,655,106)</b>	<b>(6,977,297)</b>
<b>Fund Balance - Beginning of Year, Restated</b>	<b>22,928,548</b>	<b>155</b>	<b>4,870,923</b>	<b>27,799,626</b>
<b>Fund Balance - End of Year</b>	<b>\$18,232,554</b>	<b>\$373,958</b>	<b>\$2,215,817</b>	<b>\$20,822,329</b>

See accompanying notes to the basic financial statements.

Mt. Healthy City School District  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2022

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Net Change in Fund Balance - Total Governmental Funds (\$6,977,297)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.

Capital assets used in governmental activities	4,691,984	
Depreciation Expense	<u>(3,920,514)</u>	
		771,470

Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension and OPEB expense.

District pension contributions for pension	4,213,301	
Pension Expense	(533,811)	
District pension contributions for OPEB	122,972	
OPEB Expense	<u>185,300</u>	
		3,987,762

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent Property Taxes	(121,671)	
Interest	(4,604)	
Intergovernmental	21,852	
Other	<u>(14,015)</u>	
		(118,438)

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,420,000

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 5,409

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.

Compensated Absences	94,161	
Amortization of Bond Premium	207,478	
Amortization of Deferred Charge on Refunding	<u>(91,044)</u>	
		<u>210,595</u>

Change in Net Position of Governmental Activities (\$700,499)

See accompanying notes to the basic financial statements.

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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**Note 1 - Description of the District**

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The Mt. Healthy City School District (the District) was chartered by the Ohio State Legislature in 1832 when state laws were enacted to create local Boards of Education. Today, the District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code.

The District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This Board controls the District's instructional and support facilities staffed by approximately 123 support staff personnel and approximately 272 certificated full time teaching and administrative personnel to provide services to students and other community members.

The District is the 10th largest in Hamilton County in terms of enrollment. It currently operates 2 elementary schools, 1 junior high (grades 7-8) and 1 high school (grades 9-12). The Junior High and High School are located on the same complex.

**Reporting Entity**

In accordance with Governmental Accounting Standards Board (GASB) Statement 14, the financial reporting entity consists of a primary government. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

There are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing body is financially accountable. The District's major operations include education, pupil transportation, food service, and maintenance of District facilities.

The District is associated with four organizations, three of which are defined as jointly governed organizations, and one as an insurance purchasing pool. These organizations are:

Jointly Governed Organizations:

Hamilton Clermont Cooperative Information Technology Center  
Great Oaks Career Campuses  
Greater Cincinnati Insurance Consortium

Insurance Purchasing Pool:

Ohio School Boards Association Workers' Compensation Group Rating Plan

These organizations are presented in Notes 12 and 13.

**Note 2 - Summary of Significant Accounting Policies**

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

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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**Measurement Focus**

**Government-wide Financial Statements**

The 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.

The government-wide statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position. Fiduciary funds are not included in entity-wide statements.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the 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 and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the 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 District.

**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, deferred outflows of resources, 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 reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories of governmental and fiduciary.

**Governmental Funds**

Governmental funds focus 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 District's major governmental funds:

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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General Fund - The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

American Rescue Plan Act Fund – This fund accounts for grants received through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan. Grants are restricted for various purposes designated by the Department of the Treasury.

**Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District has an Ohio High School Athletic Association events fund to account for assets and liabilities of OHSAA athletic events of the District.

**Note 3 - Basis of Accounting**

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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. Fiduciary funds use the accrual basis of accounting. Differences in the actual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes available for advance, grants and interest.

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources includes a deferred charge on refunding, pension, and other post employment benefits. These amounts are reported on the government-wide statement of net position. The deferred outflows of resources related to a deferred charge on refunding, pension, and OPEB plans are explained in Notes 9 and 10.

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 periods and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, grants and other taxes, pension, OPEB, and investment earnings. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance year 2023 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants and other taxes, and investment earnings have been recorded as deferred inflows on the governmental fund financial statements. Deferred inflows related to pension and OPEB plans are reported on the governmental-wide statement of net position. For more pension and OPEB related information, see Notes 9 and 10.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

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

**Equity In Pooled Cash And Investments**

Cash received by the District is pooled for investment purposes. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements.

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 deposits are reported at cost.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue in the General Fund during fiscal year 2022 amounted to (\$185,614) and \$0 in Other Governmental Funds.

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2022 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and expenditure/expense is reported in the year in which services are consumed.

**Inventory**

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of food held for resale and consumable supplies.

**Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of one thousand dollars (\$1,000). The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Buildings and Improvements	5-30 years
Equipment	5-20 years

**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 District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the 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 limit specified in the District's termination policy. The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, a liability is recorded only for the portion of unpaid compensated absences that have matured, for example, as a result of employee resignations and retirements.



**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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The District's policies regarding compensated absences are determined by the state laws and/or negotiated agreements. In summary, the policies are as follows:

<u>Vacation</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How earned	Not Eligible	15-25 days service accumulated monthly	10-25 days for each year depending on length of service
Maximum Accumulation	Not Applicable	20 days at end of their contract year	20 days at end of their contract year
Vested	Not Applicable	As Earned	As Earned
Termination Entitlement	Not Applicable	Paid upon Termination	Paid upon Termination
<u>Sick Leave</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How Earned	1-1/2 days per month of employment (18 days per year)	1-1/2 days per month of employment (18 days per year)	1-1/2 days per month of employment (18 days per year)
Maximum Accumulation	265 days	265 days	265 days
Vested	As Earned	As Earned	As Earned
Termination Entitlement	Per Contract	Per Contract	Per Contract

**Pension/Other Postemployment Benefits (OPEB)**

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

**Net Position**

Net position represents the difference between assets and liabilities. 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 its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the \$3,371,531 in restricted net position, none was restricted by enabling legislation.

**Interfund Activity**

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.

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 on the Statement of Net position.

As a general rule the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

**Fund Balance**

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

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

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

Assigned – resources that are intended to be used for specific purposes as approved through the District’s formal purchasing procedure by the Treasurer.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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The 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.

**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.

**Restricted Assets**

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments or imposed by enabling legislation. Restricted assets include the amount required by state statute to be set aside to create a reserve for budget stabilization and amounts held in retainage for contractors.

**Note 4 - Equity in Pooled Cash and Investments**

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The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the District into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand.

Inactive Monies – Those monies not required for use within the current two year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies – Those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies held by the 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.

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met.
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
7. The State Treasurer's investment pool (STAR Ohio).
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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

**Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2022, \$11,303,994 of the District's bank balance of \$11,803,994 was exposed to custodial credit risk because it was uninsured and collateralized.

The 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 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% of the deposits being secured; or

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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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% of the deposits being secured or a rate set by the Treasurer of State.

**Investments**

As of June 30, 2022, the District had the following investments:

Investment Type	Fair Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Federal Farm Credit Bank	\$1,665,801	Level 2	1.27
Federal Home Loan Mortgage Corporation	1,428,703	Level 2	2.03
Negotiable CDs	4,504,247	Level 2	0.84
U.S Treasury Notes	1,960,213	Level 1	0.86
Money Market Funds	436,331	N/A	0.00
Total Fair Value	\$9,995,295		
Portfolio Weighted Average Maturity			1.04

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the District’s recurring fair value measurements as of June 30, 2022. All investments of the District are valued using quoted market prices.

**Interest Rate Risk** - In accordance with the investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to three years.

**Credit Risk** – It is the District’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The District’s investments in Federal Home Loan Mortgage Corporation, and Federal Farm Credit Bank were rated AAA by Standard & Poor’s and Aaa by Moody’s Investors Service. Negotiable CDs, U.S Treasury Notes, and Money Market Funds were not rated.

**Concentration of Credit Risk** – The District’s investment policy allows investments in Federal Agencies or Instrumentalities. The District has invested 14% in Federal Home Loan Mortgage Corporation, 17% in Federal Farm Credit Bank, 20% in U.S Treasury Notes, 4% in Money Market Funds, and 45% in Negotiable CD’s.

**Custodial Credit Risk** is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the District’s securities are either insured and registered in the name of the District or at least registered in the name of the District.

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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**Note 5 - Property Taxes**

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Real property taxes collected in 2022 were levied in April on the assessed values as of January 1, 2021, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update every third year.

Real property taxes are payable annually or semi-annually. In 2021, if paid annually, payment was due by January 31st. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

The County Auditor remits portions of the taxes collected to all taxing districts with periodic settlements of real and public utility property taxes in February and August and tangible personal property taxes in June and October. The District records billed but uncollected property taxes as receivables at their estimated net realizable value.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2022. Delinquent property taxes collected within 60 days of the fiscal year end are included as a receivable and tax revenue on the fund financial statements. All delinquent property taxes outstanding at June 30, 2022 are recognized as a revenue and receivable on the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2022, was \$4,580,000 for General Fund and \$945,000 in Other Governmental Funds, and is recognized as revenue, with a corresponding reserve to fund balance since the Board did not appropriate these receivables for fiscal year 2022 operations.

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

The assessed values upon which the fiscal year 2022 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$327,406,480
Public Utility	<u>18,908,170</u>
Total	<u><u>\$346,314,650</u></u>

**Note 6 – Receivables**

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Receivables at June 30, 2022, consisted of taxes, interest, intergovernmental grants, and interfund. 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.

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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**Note 7 - Capital Assets**

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Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<b>Capital Assets, not being depreciated:</b>				
Land	\$1,624,962	\$0	\$0	\$1,624,962
Construction in Progress	9,363,716	2,626,736	0	11,990,452
<b>Capital Assets, being depreciated:</b>				
Land Improvements	6,136,816	0	0	6,136,816
Buildings and Improvements	90,839,230	1,028,287	0	91,867,517
Equipment	12,410,257	951,537	0	13,361,794
Vehicles	2,099,385	85,424	0	2,184,809
Totals at Historical Cost	<u>122,474,366</u>	<u>4,691,984</u>	<u>0</u>	<u>127,166,350</u>
Less Accumulated Depreciation:				
Land Improvements	4,514,021	262,990	0	4,777,011
Buildings and Improvements	32,065,079	3,077,828	0	35,142,907
Equipment	10,720,496	531,363	0	11,251,859
Vehicles	1,919,132	48,333	0	1,967,465
Total Accumulated Depreciation	<u>49,218,728</u>	<u>3,920,514</u>	<u>0</u>	<u>53,139,242</u>
Governmental Activities Capital Assets, Net	<u>\$73,255,638</u>	<u>\$771,470</u>	<u>\$0</u>	<u>\$74,027,108</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,283,966
Special	157,997
Support Services:	
Pupils	1,569
Instructional Staff	61,552
School Administration	429,689
Operations and Maintenance	1,016,197
Pupil Transportation	697,068
Central	142,314
Operation of Non-Instructional Services	106,245
Extracurricular Activities	23,917
Total Depreciation Expense	<u>\$3,920,514</u>

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

**Note 8 - Long-Term Liabilities**

	Interest Rate	Beginning Principal Outstanding	Additions	Deductions	Ending Principal Outstanding	Due In One Year
<b>Governmental Activities:</b>						
Bonds and Certificates of Participation:						
2015 Refunding Bonds	3.625%-5.00%	\$22,305,000	\$0	\$1,035,000	\$21,270,000	\$1,085,000
2015 Refunding Bonds - Premium		2,537,572	0	175,005	2,362,567	0
2020 Certificates of Participation		10,100,000	0	385,000	9,715,000	400,000
2020 Certificates of Participation - Premium		616,987	0	32,473	584,514	0
Subtotal Bonds and Certificates of Participation		35,559,559	0	1,627,478	33,932,081	1,485,000
Compensated Absences		1,450,117	293,777	441,095	1,302,799	355,000
Subtotal Bonds, Certificates of Participation and Other Amounts		37,009,676	293,777	2,068,573	35,234,880	1,840,000
Net Pension Liability		49,537,159	0	22,612,989	26,924,170	0
Net OPEB Liability		3,878,537	0	367,743	3,510,794	0
Total Long-Term Obligations		<u>\$90,425,372</u>	<u>\$293,777</u>	<u>\$25,049,305</u>	<u>\$65,669,844</u>	<u>\$1,840,000</u>

Bonds and certificates of participation will be paid from the debt service fund and the general fund. Compensated absences will be paid from the fund from which the person is paid.

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from their service.

A summary of the District's future long-term debt funding requirements, including principal and interest payments as of June 30, 2022 follows:

Fiscal Year Ending June 30	General Obligation Bonds			Certificates of Participation		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$1,085,000	\$1,008,051	\$2,093,051	\$400,000	\$288,825	\$688,825
2024	1,135,000	952,551	2,087,551	415,000	272,525	687,525
2025	1,190,000	894,426	2,084,426	430,000	255,625	685,625
2026	1,250,000	833,426	2,083,426	450,000	238,025	688,025
2027	1,315,000	769,301	2,084,301	470,000	219,625	689,625
2028-2032	7,660,000	2,763,130	10,423,130	2,620,000	818,225	3,438,225
2033-2037	7,635,000	688,491	8,323,491	2,960,000	480,031	3,440,031
2038-2040	0	0	0	1,970,000	89,700	2,059,700
Total	<u>\$21,270,000</u>	<u>\$7,909,376</u>	<u>\$29,179,376</u>	<u>\$9,715,000</u>	<u>\$2,662,581</u>	<u>\$12,377,581</u>

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**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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**Note 9 - Defined Benefit Pension Plans**

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

**Net Pension Liability/Net OPEB Liability (Asset)**

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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

The remainder of this note includes the required pension disclosures. See Note 10 for the required OPEB disclosures.

**Plan Description - School Employees Retirement System (SERS)**

**Plan Description**

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](http://www.ohsers.org) under

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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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; 2.20% for the first thirty years of service and 2.50% 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 2.50% and with a floor of 0.00%. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 0.50% COLA for calendar year 2021 and 2.50% for 2022.

**Funding Policy**

Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2022, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$972,447 for fiscal year 2022. Of this amount \$0 is reported as accrued wages and benefits.

**Plan Description - State Teachers Retirement System (STRS)**

**Plan Description**

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

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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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 2.20% 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 0.00% 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. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The DC Plan allows members to place all their member contributions and 9.53% of the 14.00% 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% of the 14.00% 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, 12.00% of the 14.00% member rate is deposited into the member's DC account and the remaining 2.00% 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.

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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**Funding Policy**

Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2022 employer and employee contribution rate of 14.00% was equal to the statutory maximum rates. For fiscal year 2022, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$3,240,854 for fiscal year 2022. Of this amount \$498,000 is reported as accrued wages and benefits.

**Net 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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$6,651,813	\$20,272,357	\$26,924,170
Proportion of the Net Pension Liability:			
Current Measurement Date	0.18028010%	0.15855246%	
Prior Measurement Date	<u>0.17342460%</u>	<u>0.15732268%</u>	
Change in Proportionate Share	0.00685550%	0.00122978%	
Pension Expense	\$344,803	\$189,008	\$533,811

At June 30 2022, reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b><u>Deferred Outflows of Resources</u></b>			
Differences between expected and actual experience	\$642	\$626,317	\$626,959
Changes of assumptions	140,068	5,623,915	5,763,983
Changes in employer proportionate share of net pension liability	347,015	2,085,856	2,432,871
Contributions subsequent to the measurement date	<u>972,447</u>	<u>3,240,854</u>	<u>4,213,301</u>
Total Deferred Outflows of Resources	<u>\$1,460,172</u>	<u>\$11,576,942</u>	<u>\$13,037,114</u>
<b><u>Deferred Inflows of Resources</u></b>			
Differences between expected and actual experience	\$172,508	\$127,067	\$299,575
Net difference between projected and actual earnings on pension plan investments	<u>3,425,878</u>	<u>17,470,891</u>	<u>20,896,769</u>
Total Deferred Inflows of Resources	<u>\$3,598,386</u>	<u>\$17,597,958</u>	<u>\$21,196,344</u>

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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\$4,213,301 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2023	(\$593,045)	(\$2,078,529)	(\$2,671,574)
2024	(651,531)	(1,686,296)	(2,337,827)
2025	(814,550)	(2,087,518)	(2,902,068)
2026	(1,051,535)	(3,409,527)	(4,461,062)
Total	<u>(\$3,110,661)</u>	<u>(\$9,261,870)</u>	<u>(\$12,372,531)</u>

**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, 2021, compared with June 30, 2020, are presented below:

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**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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	June 30, 2021	June 30, 2020
Inflation	2.40%	3.00%
Future Salary Increases, including inflation	3.25% to 13.58%	3.50% to 18.20%
COLA or Ad Hoc COLA	2.00%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2.50%
Investment Rate of Return	7.00% net of system expenses	7.50% net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

Mortality rates for 2021 were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.30% for males and set forward 3 years and adjusted 106.80% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Mortality rates for 2020 were 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. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120.00% of male rates, and 110.00% of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90.00% for male rates and 100.00% for female rates, set back five years is used for the period after disability retirement.

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.

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**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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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 2021 was calculated using the discount rate of 7.00%. The discount rate for 2020 was 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$11,066,983	\$6,651,813	\$2,928,307

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the June 30, 2021, actuarial valuation compared to those used in the June 30, 2020, actuarial valuation are presented below:

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**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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Inflation	2.50%	2.50%
Projected Salary Increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.00% net of investments expense, including inflation	7.45% net of investments expense, including inflation
Discount Rate of Return	7.00%	7.45%
Payroll Increases	3.00%	3.00%
Cost-of-Living Adjustments (COLA)	0.00%	0.00%

Post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Table with 50.00% of rates through age 69, 70.00% of rates between ages 70 and 79, 90.00% of rates between ages 80 and 84, and 100.00% 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 90.00% of rates for males and 100.00% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return *</u>
Domestic Equity	28.00%	7.35%
International Equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed Income	21.00%	3.00%
Real Estate	10.00%	6.00%
Liquidity Reserves	<u>1.00%</u>	2.25%
Total	<u><u>100.00%</u></u>	

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

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021, and was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS'



**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2021.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$37,962,537	\$20,272,357	\$5,324,193

**Changes Between the Measurement Date and the Reporting date**

In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. These demographic measures include retirement, salary increase, disability/termination and mortality assumptions. In March 2022, the STRS Board approved benefit plan changes to take effect on July 1, 2022. These changes include a one-time three percent cost-of-living increase (COLA) to be paid to eligible benefit recipients and the elimination of the age 60 requirement for retirement age and service eligibility that was set to take effect in 2026. The effect on the net pension liability is unknown.

**Note 10 - Defined Benefit OPEB Plans**

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See Note 9 for a description of the net OPEB liability (asset).

**Plan Description - School Employees Retirement System (SERS)**

**Health Care Plan Description**

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

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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

**Funding Policy**

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14.00% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2022, 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 2022, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.00% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.50% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the District's surcharge obligation was \$122,972.

The surcharge, added to the allocated portion of the 14.00% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$122,972 for fiscal year 2022.

**Plan Description - State Teachers Retirement System (STRS)**

**Plan Description**

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

**Funding Policy**

Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14.00% of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

**Net OPEB Liabilities (Assets), OPEB Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$3,510,794	\$0	\$3,510,794
Proportionate Share of the Net OPEB (Asset)	0	(3,342,949)	(3,342,949)
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.18550290%	0.15855246%	
Prior Measurement Date	<u>0.17846080%</u>	<u>0.15732268%</u>	
Change in Proportionate Share	0.00704210%	0.00122978%	
OPEB Expense	\$74,981	(\$260,281)	(\$185,300)

At June 30 2022, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$37,422	\$119,034	\$156,456
Changes of assumptions	550,761	213,533	764,294
Changes in employer proportionate share of net OPEB liability	654,873	62,303	717,176
Contributions subsequent to the measurement date	<u>122,972</u>	<u>0</u>	<u>122,972</u>
Total Deferred Outflows of Resources	<u>\$1,366,028</u>	<u>\$394,870</u>	<u>\$1,760,898</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$1,748,534	\$612,491	\$2,361,025
Changes of assumptions	480,774	1,994,317	2,475,091
Net difference between projected and actual earnings on OPEB plan investments	76,274	926,606	1,002,880
Changes in employer proportionate share of net OPEB liability	<u>75,655</u>	<u>84,769</u>	<u>160,424</u>
Total Deferred Inflows of Resources	<u>\$2,381,237</u>	<u>\$3,618,183</u>	<u>\$5,999,420</u>

\$122,972 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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Fiscal Year Ending June 30:	SERS	STRS	Total
2023	(\$265,298)	(\$939,888)	(\$1,205,186)
2024	(265,833)	(916,699)	(1,182,532)
2025	(242,945)	(859,989)	(1,102,934)
2026	(214,936)	(381,071)	(596,007)
2027	(115,922)	(128,812)	(244,734)
Thereafter	(33,247)	3,146	(30,101)
Total	<u>(\$1,138,181)</u>	<u>(\$3,223,313)</u>	<u>(\$4,361,494)</u>

**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, 2021, compared with June 30, 2020, are presented below:

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**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

	June 30, 2021	June 30, 2020
Inflation	2.40%	3.00%
Future Salary Increases, Including Inflation Wage Increases	3.25% to 13.58%	3.50% to 18.20%
Investment Rate of Return	7.00% net of investment expense, including inflation	7.50% net of investment expense, including inflation
Municipal Bond Index Rate:		
Measurement Date	1.92%	2.45%
Prior Measurement Date	2.45%	3.13%
Single Equivalent Interest Rate (SEIR), net of plan investment expense, including price inflation:		
Measurement Date	2.27%	2.63%
Prior Measurement Date	2.63%	3.22%
Medical Trend Assumption:		
Medicare	5.125% to 4.40%	5.25% to 4.75%
Pre-Medicare	6.75% to 4.40%	7.00% to 4.75%

For 2021, 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% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.30% for males and set forward 3 years and adjusted 106.80% 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 105.50% for males and adjusted 122.50% for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

For 2020, mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120.00% of male rates and 110.00% of female rates. RP-2000 Disabled Mortality Table with 90.00% for male rates and 100.00% for female rates set back five years.

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 2015 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 log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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

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 discount rate used to measure the total OPEB liability at June 30, 2021 was 2.27%. The discount rate used to measure total OPEB liability prior to June 30, 2021, was 2.63%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2020 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 1.92% at June 30, 2021 and 2.45% at June 30, 2020.

**Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates**

The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate.

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**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
Proportionate share of the net OPEB liability	\$4,350,299	\$3,510,794	\$2,840,138
	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
Proportionate share of the net OPEB liability	\$2,703,024	\$3,510,794	\$4,589,728

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the June 30, 2021, actuarial valuation and the June 30, 2020 actuarial valuation are presented below:

	June 30, 2021	June 30, 2020
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment Rate of Return	7.00%, net of investment expenses, including inflation	7.45%, net of investment expenses, including inflation
Payroll Increases	3.00%	3.00%
Discount Rate of Return	7.00%	7.45%
Health Care Cost Trends:		
Medical		
Pre-Medicare	5.00% initial, 4.00% ultimate	5.00% initial, 4.00% ultimate
Medicare	-16.18% initial, 4.00% ultimate	-6.69% initial, 4.00% ultimate
Prescription Drug		
Pre-Medicare	6.50% initial, 4.00% ultimate	6.50% initial, 4.00% ultimate
Medicare	29.98% initial, 4.00% ultimate	11.87% initial, 4.00% ultimate

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

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50.00% of rates through age 69, 70.00% of rates between ages 70 and 79, 90.00% of rates between ages 80 and 84, and 100.00% 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 90.00% of rates for males and 100.00% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.10% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022.

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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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.

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	28.00%	7.35%
International Equity	23.00%	7.55%
Alternatives	17.00%	7.09%
Fixed Income	21.00%	3.00%
Real Estate	10.00%	6.00%
Liquidity Reserves	1.00%	2.25%
Total	100.00%	

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

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2021, and was 7.45% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes 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, 2021. Therefore, the long-term expected rate of return on health care plan investments of 7.00% was used to measure the total OPEB liability as of June 30, 2021.

**Sensitivity of the 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, 2021, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

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**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net OPEB (asset)	(\$2,820,932)	(\$3,342,949)	(\$3,779,015)
	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB (asset)	(\$3,761,346)	(\$3,342,949)	(\$2,825,562)

**Changes Between the Measurement Date and the Reporting date**

In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. The effect on the net OPEB liability (asset) is unknown.

**Note 11 - Contingent Liabilities**

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**School Foundation**

District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2022 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2022 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the District.

**Grants**

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2022, if applicable, cannot be determined at this time.

**Litigation**

The District's attorney estimates that all other potential claims against the District not covered by insurance resulting from all other litigation would not materially affect the financial statements of the District.

**Note 12 - Risk Management**

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The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets errors and omissions, injuries to employees and natural disasters. During the fiscal year, the Ohio School Plan through Hylant Insurance provided property insurance to the district. The Ohio School Plan provided liability insurance coverage with a 5 million Dollar aggregate limit to all employees and volunteers of the district.

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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All District owned fleet vehicles excluding buses (operated and insured by Durham/National Express) are insured by Ohio School Plan through Hylant and hold a \$1,000 deductible for comprehensive and collision automobile liability and has a 5 million dollar combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past 10 years.

The District carries a performance bond in the amount of \$50,000 for the Treasurer as required by Ohio Revised Code. All other employees including the Superintendent and the Board President are covered under the Employee Dishonesty portion of the Crime coverage on the Ohio School Plan policy.

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP is intended to reduce the District's premium by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund".

The District provides a minimum of \$45,000 life insurance and accidental death and dismemberment insurance policy to all employees except administrators through Anthem Life Insurance Co. The District provides administrators a maximum of 1.5 times their salary life insurance and accidental death with a maximum of \$150,000.

The District offers medical/surgical/hospitalization insurance benefits to all employees through Anthem Blue Cross/Blue Shield through the Greater Cincinnati Insurance Consortium.

The District offers dental insurance through Dental Care Plus.

Settled claims have not exceeded commercial coverage in any of the past five years. There has not been a significant reduction in insurance coverage from the previous year.

**Note 13 - Jointly Governed Organizations**

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*The Hamilton Clermont Cooperative Information Technology Center (HCC) is a computer service organization whose primary function is to provide information technology services to its members. Currently, the District along with other member school districts in the Ohio counties of Hamilton and Clermont are participants. The Center 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. The governing board of HCC consists of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the board. Each of the schools support HCC based upon a per pupil charge dependent upon the software package utilized. Financial information can be obtained from their fiscal agent, the Hamilton County Education Service Center, at 11083 Hamilton Avenue, Cincinnati, Ohio 45231.*

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**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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*Great Oaks Career Campuses* is a distinct political subdivision of the State of Ohio operated under the direction of a board consisting of thirty-five representatives from the various city and county boards within Hamilton County, which possesses its own budgeting and taxing authority. To obtain financial information write to the Treasurer at Great Oaks Career Campuses, 3254 East Kemper Road, Cincinnati, Ohio 45241.

*Greater Cincinnati Insurance Consortium* is a consortium formed by Hamilton County ESC in the early 1990's. The group is made up of 14 local school districts to enable larger buying power for medical, dental and life insurances for district employees. Financial information can be obtained from their fiscal agent, the Hamilton County Education Service Center Treasurer Megan Jackson at 11083 Hamilton Avenue, Cincinnati, Ohio 45231.

**Note 14– Accountability**

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The following individual funds had a deficit in fund balance at year end:

Fund	Deficit
Other Governmental Funds:	
Miscellaenous Federal Grants	\$54,414
Miscellaenous State Grants	137,245
Management Information Systems	87,517
Special Education	66,702
Title V Innovative Projects	2,851
Drug-Free Schools	21,991
IDEA Preschool Grant	3,289
Improving Teacher Quality	24,743
Title III	11,673
Title I School Improvement	2,179
Wellness and Success	99
District Managed Activity Fund	71,528
Building	216,466

Project Cash Requests have been submitted for the above deficit amounts, but were not received by fiscal year end June 30, 2022.

**Note 15 – Requirement for Set-Asides**

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The 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 year-end 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 year-end set-aside amounts for textbooks and capital acquisition. Disclosure of this information is required by State statute.

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

	Capital Acquisition	Budget Stabilization
Set Aside Reserve Balance as of June 30, 2021	\$0	\$168,887
Current Year Set Aside Requirements	527,366	0
Qualified Disbursements	(976,000)	0
Current Year Offsets	0	0
Set Aside Reserve Balance as of June 30, 2022	<u>(\$448,634)</u>	<u>\$168,887</u>
Restricted Cash as of June 30, 2022	<u>\$0</u>	<u>\$168,887</u>

Expenditures for capital activity during the year totaled \$976,000, which was greater than the amount required for the set-aside.

Senate Bill 345 eliminated the Budget Stabilization Reserve, except the amounts related to unspent Bureau of Workers' Compensation refunds. The Bill stipulates that the Board of Education can retain the reserve account or use the reserve for specifically discretionary purposes.

**Note 16 - Interfund Transactions**

Interfund transactions at June 30, 2022, consisted of the following interfund receivables, payables, transfers in and out:

	Interfund Loan		Transfers	
	Receivable	Payable	In	Out
General Fund	\$801,302	\$0	\$0	\$200,151
Other Governmental Funds	0	801,302	200,151	0
Total All Funds	<u>\$801,302</u>	<u>\$801,302</u>	<u>\$200,151</u>	<u>\$200,151</u>

Interfund balance/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization; to segregate and to return money to the fund from which it was originally provided once a project is completed.

All interfund balances are expected to be paid within one year.

**Note 17 – Fund Balances**

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

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**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

Fund Balances	General	American Rescue Plan Act	Other Governmental Funds	Total
<b>Nonspendable:</b>				
Prepays	\$32,074	\$3,688	\$3,748	\$39,510
<b>Total Nonspendable</b>	<u>32,074</u>	<u>3,688</u>	<u>3,748</u>	<u>39,510</u>
<b>Restricted for:</b>				
Local Grants	0	0	17,283	17,283
Data Communication	0	0	1,800	1,800
Title I	0	0	3,462	3,462
Food Service	0	0	638,349	638,349
Classroom Facilities Maintenance	0	0	82,571	82,571
Student Managed Activity	0	0	35,480	35,480
American Rescue Plan Act	0	370,270	0	370,270
Debt Service	0	0	2,131,140	2,131,140
Permanent Improvement	0	0	3,552	3,552
<b>Total Restricted</b>	<u>0</u>	<u>370,270</u>	<u>2,913,637</u>	<u>3,283,907</u>
<b>Assigned to:</b>				
Public School Support	26,125	0	0	26,125
Budgetary Resource	14,801,085	0	0	14,801,085
Encumbrances	2,077,108	0	0	2,077,108
<b>Total Assigned</b>	<u>16,904,318</u>	<u>0</u>	<u>0</u>	<u>16,904,318</u>
<b>Unassigned (Deficit)</b>	<u>1,296,162</u>	<u>0</u>	<u>(701,568)</u>	<u>594,594</u>
<b>Total Fund Balance</b>	<u>\$18,232,554</u>	<u>\$373,958</u>	<u>\$2,215,817</u>	<u>\$20,822,329</u>

Fund balance classified as assigned for encumbrances in the general fund are assigned for all ordinary day-to-day operations of the District, for the purchase and sale of school supplies, and for specific local revenue sources.

**Note 18 – Implementation of New Accounting Principles and Restatement of Net Position/Fund Balance**

**Implementation of New Accounting Principles**

For fiscal year 2022, the District implemented GASB Statement No. 87, Leases and related guidance from (GASB) Implementation Guide No. 2019-3, and GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period.

GASB Statement No. 87 sets out to improve the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

**Mt. Healthy City School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2022**

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GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the District.

**Restatement of Fund Balance/Net Position**

Historically, federal grants received via the Ohio Department of Education were treated as non-reimbursable grants. Due to clarifications, it was determined that these grants should be treated as reimbursable grants. This clarification had the following effect on fund balance as reported at June 30, 2021.

The above items had the following effect on fund balance/net positions as of June 30, 2021:

	American Rescue Plan Act	Other Governmental Funds
	<u>          </u>	<u>          </u>
Fund Balance, June 30, 2021	\$155	\$4,937,393
Adjustments:		
Change in Intergovernmental Receivables	(12,743)	(322,269)
Change in Deferred Inflows: Grants and Other Taxes	12,743	255,799
Restated Fund Balance, June 30, 2021	<u>\$155</u>	<u>\$4,870,923</u>
	Governmental Activities	
	<u>          </u>	
Net Position, June 30, 2021	\$23,908,128	
Adjustments:		
Change in Intergovernmental Receivables	(66,470)	
Restated Net Position, June 30, 2021	<u>\$23,841,658</u>	

**Note 19 – COVID-19**

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The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2022, the School District received COVID-19 funding. The financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the School District. The impact on the School District’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

# **REQUIRED SUPPLEMENTARY INFORMATION**

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Mount Healthy City School District  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 School Employees Retirement System of Ohio  
 Last Nine Fiscal Years (1) (2)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.18028010%	\$6,651,813	\$6,227,407	106.82%	82.86%
2021	0.17342460%	11,470,668	6,064,586	189.14%	68.55%
2020	0.16697080%	9,990,156	5,730,822	174.32%	70.85%
2019	0.14861050%	8,511,199	5,119,667	166.25%	71.36%
2018	0.15568500%	9,301,835	4,859,664	191.41%	69.50%
2017	0.14654040%	10,725,405	4,551,000	235.67%	62.98%
2016	0.14849890%	8,473,491	3,224,476	262.79%	69.16%
2015	0.14749300%	7,464,537	3,128,813	238.57%	71.70%
2014	0.14749300%	8,773,563	2,814,629	311.71%	65.52%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.



Mount Healthy City School District  
 Required Supplementary Information  
 Schedule of the District's Contributions for Net Pension Liability  
 School Employees Retirement System of Ohio  
 Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2022	\$972,447	(\$972,447)	\$0	\$6,946,050	14.00%
2021	871,837	(871,837)	0	6,227,407	14.00%
2020	849,042	(849,042)	0	6,064,586	14.00%
2019	773,661	(773,661)	0	5,730,822	13.50%
2018	691,155	(691,155)	0	5,119,667	13.50%
2017	680,353	(680,353)	0	4,859,664	14.00%
2016	637,140	(637,140)	0	4,551,000	14.00%
2015	612,328	(612,328)	0	3,224,476	18.99%
2014	600,018	(600,018)	0	3,128,813	19.18%
2013	559,128	(559,128)	0	2,814,629	19.87%

See accompanying notes to the required supplementary information.

Mount Healthy City School District  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 State Teachers Retirement System of Ohio  
 Last Nine Fiscal Years (1) (2)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.15855246%	\$20,272,357	\$19,363,029	104.70%	87.78%
2021	0.15732268%	38,066,491	17,998,800	211.49%	75.48%
2020	0.14575004%	32,231,745	17,523,514	183.93%	77.40%
2019	0.14067688%	30,931,687	16,613,829	186.18%	77.30%
2018	0.13906448%	33,035,065	15,747,350	209.78%	75.30%
2017	0.14461217%	48,406,053	14,402,400	336.10%	66.80%
2016	0.14037797%	38,796,365	14,810,767	261.95%	72.10%
2015	0.13604723%	33,091,395	14,104,897	234.61%	74.70%
2014	0.13604723%	39,312,096	13,720,242	286.53%	69.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2014 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Mount Healthy City School District  
 Required Supplementary Information  
 Schedule of the District's Contributions for Net Pension Liability  
 State Teachers Retirement System of Ohio  
 Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2022	\$3,240,854	(\$3,240,854)	\$0	\$23,148,957	14.00%
2021	2,710,824	(2,710,824)	0	19,363,029	14.00%
2020	2,519,832	(2,519,832)	0	17,998,800	14.00%
2019	2,453,292	(2,453,292)	0	17,523,514	14.00%
2018	2,325,936	(2,325,936)	0	16,613,829	14.00%
2017	2,204,629	(2,204,629)	0	15,747,350	14.00%
2016	2,016,336	(2,016,336)	0	14,402,400	14.00%
2015	2,085,541	(2,085,541)	0	14,810,767	14.08%
2014	1,946,038	(1,946,038)	0	14,104,897	13.80%
2013	1,816,008	(1,816,008)	0	13,720,242	13.24%

See accompanying notes to the required supplementary information.

Mount Healthy City School District  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net OPEB Liability  
 School Employees Retirement System of Ohio  
 Last Six Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2022	0.18550290%	\$3,510,794	\$6,227,407	56.38%	24.08%
2021	0.17846080%	3,878,537	6,064,586	63.95%	18.17%
2020	0.17029920%	4,282,667	5,730,822	74.73%	15.57%
2019	0.15076800%	4,182,712	5,119,667	81.70%	13.57%
2018	0.15759960%	4,229,559	4,859,664	87.03%	12.46%
2017	0.14783451%	4,213,831	4,551,000	92.59%	11.49%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Mount Healthy City School District  
 Required Supplementary Information  
 Schedule of the District's Contributions for Net OPEB Liability  
 School Employees Retirement System of Ohio  
 Last Seven Fiscal Years (1) (2)

Year	District's Contractually Required Contribution (2)	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2022	\$122,972	(\$122,972)	\$0	\$6,946,050	1.26%
2021	117,371	(117,371)	0	6,227,407	1.88%
2020	107,545	(107,545)	0	6,064,586	1.77%
2019	128,789	(128,789)	0	5,730,822	2.25%
2018	107,061	(107,061)	0	5,119,667	2.09%
2017	84,116	(84,116)	0	4,859,664	1.73%
2016	71,936	(71,936)	0	4,551,000	1.58%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

(2) Includes surcharge.

See accompanying notes to the required supplementary information.

Mount Healthy City School District  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net OPEB (Asset)/Liability  
 State Teachers Retirement System of Ohio  
 Last Six Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB (Asset)/Liability	District's Proportionate Share of the Net OPEB (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset)/Liability
2022	0.15855246%	(\$3,342,949)	\$19,363,029	(17.26%)	174.73%
2021	0.15732268%	(2,764,945)	17,998,800	(15.36%)	182.13%
2020	0.14575004%	(2,413,970)	17,523,514	(13.78%)	174.74%
2019	0.14067688%	(2,260,534)	16,613,829	(13.61%)	176.00%
2018	0.13906448%	5,425,783	15,747,350	34.46%	47.10%
2017	0.14461217%	7,733,896	14,402,400	53.70%	37.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Mount Healthy City School District  
 Required Supplementary Information  
 Schedule of the District's Contributions for Net OPEB (Asset)/Liability  
 State Teachers Retirement System of Ohio  
 Last Seven Fiscal Years (1)

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2022	\$0	\$0	\$0	\$23,148,957	0.00%
2021	0	0	0	19,363,029	0.00%
2020	0	0	0	17,998,800	0.00%
2019	0	0	0	17,523,514	0.00%
2018	0	0	0	16,613,829	0.00%
2017	0	0	0	15,747,350	0.00%
2016	0	0	0	14,402,400	0.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

Mt. Healthy City School District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2022

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$11,948,571	\$11,948,571	\$11,566,165	(\$382,406)
Tuition and Fees	713,906	713,906	691,058	(22,848)
Investment Earnings	(50,133)	(50,133)	(48,529)	1,604
Intergovernmental	29,127,995	29,127,995	28,195,773	(932,222)
Extracurricular Activities	2,566	2,566	2,484	(82)
Other Revenues	470,061	470,061	455,017	(15,044)
<b>Total Revenues</b>	<b>42,212,966</b>	<b>42,212,966</b>	<b>40,861,968</b>	<b>(1,350,998)</b>
Expenditures:				
Current:				
Instruction:				
Regular	15,734,795	17,126,961	15,231,944	1,895,017
Special	9,805,589	10,673,157	9,492,223	1,180,934
Vocational	56,555	61,559	54,748	6,811
Other	718,803	782,401	695,832	86,569
Support Services:				
Pupil	3,986,570	4,339,290	3,859,168	480,122
Instructional Staff	2,863,191	3,116,517	2,771,689	344,828
General Administration	266,292	289,853	257,782	32,071
School Administration	4,081,140	4,442,226	3,950,715	491,511
Fiscal	1,065,267	1,159,518	1,031,223	128,295
Business	244,098	265,695	236,297	29,398
Operations and Maintenance	5,228,028	5,690,587	5,060,951	629,636
Pupil Transportation	4,197,479	4,568,858	4,063,336	505,522
Central	360,416	392,305	348,898	43,407
Operation of Non-Instructional Services	183,762	200,020	177,889	22,131
Extracurricular Activities	842,690	917,248	815,759	101,489
Capital Outlay	126,010	137,159	121,983	15,176
<b>Total Expenditures</b>	<b>49,760,685</b>	<b>54,163,354</b>	<b>48,170,437</b>	<b>5,992,917</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(7,547,719)</b>	<b>(11,950,388)</b>	<b>(7,308,469)</b>	<b>4,641,919</b>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	3,300	3,300	3,194	(106)
Transfers (Out)	(206,603)	(224,882)	(200,000)	24,882
<b>Total Other Financing Sources (Uses)</b>	<b>(203,303)</b>	<b>(221,582)</b>	<b>(196,806)</b>	<b>24,776</b>
<b>Net Change in Fund Balance</b>	<b>(7,751,022)</b>	<b>(12,171,970)</b>	<b>(7,505,275)</b>	<b>4,666,695</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	22,305,908	22,305,908	22,305,908	0
<b>Fund Balance End of Year</b>	<b>\$14,554,886</b>	<b>\$10,133,938</b>	<b>\$14,800,633</b>	<b>\$4,666,695</b>

See accompanying notes to the required supplementary information.



Mt. Healthy City School District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2022

	American Rescue Plan Act Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$23,601,969	\$23,631,141	\$5,702,110	(\$17,929,031)
Total Revenues	<u>23,601,969</u>	<u>23,631,141</u>	<u>5,702,110</u>	<u>(17,929,031)</u>
Expenditures:				
Current:				
Instruction:				
Regular	7,134,495	7,146,960	1,734,655	5,412,305
Special	1,198,932	1,201,027	291,504	909,523
Support Services:				
Pupil	1,682,710	1,685,650	409,128	1,276,522
Instructional Staff	127,788	128,012	31,070	96,942
School Administration	2,332,617	2,336,692	567,144	1,769,548
Operations and Maintenance	12,680	12,702	3,083	9,619
Pupil Transportation	1,277,000	1,279,231	310,485	968,746
Operation of Non-Instructional Services	1,719,245	1,722,249	418,011	1,304,238
Capital Outlay	<u>8,092,460</u>	<u>8,106,598</u>	<u>1,967,571</u>	<u>6,139,027</u>
Total Expenditures	<u>23,577,927</u>	<u>23,619,121</u>	<u>5,732,651</u>	<u>17,886,470</u>
Net Change in Fund Balance	24,042	12,020	(30,541)	(42,561)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>(12,020)</u>	<u>(12,020)</u>	<u>(12,020)</u>	<u>0</u>
Fund Balance End of Year	<u>\$12,022</u>	<u>\$0</u>	<u>(\$42,561)</u>	<u>(\$42,561)</u>

See accompanying notes to the required supplementary information.

**Mt. Healthy City School District**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2022**

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**Note 1 – Budgetary Process**

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All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations 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 amount that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board.

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 budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2022.

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

While the 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 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual 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 basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.

**Mt. Healthy City School District**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2022**

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

	Net Change in Fund Balance	
	General	American Rescue Plan Act
GAAP Basis	(\$4,695,994)	\$373,803
Revenue Accruals	141,674	33,566
Expenditure Accruals	201,211	986,549
Proceeds of Capital Assets	(18,996)	0
Transfers (Out)	151	0
Encumbrances	(3,133,321)	(1,424,459)
Budget Basis	(\$7,505,275)	(\$30,541)

**Note 2 - Net Pension Liability**

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**School Employees Retirement System (SERS)**

**Changes in Benefit Terms:**

2022: Cost of Living Adjustments (COLA) increased from 0.50% to 2.50%.

2020-2021: There were no changes in benefit terms from the amounts reported for this fiscal year.

2019: With the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2018: SERS changed from a fixed 3.00% annual increase to a Cost of Living Adjustments (COLA) based on the changed in the Consumer Price Index Index (CPI-W), with a cap of 2.50% and a floor of 0.00%.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

**Changes in Assumptions:**

2022: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.00% to 2.40%,
- (2) Payroll growth assumption was reduced from 3.50% to 1.75%,
- (3) Assumed real wage growth was increased from 0.50% to 0.85%,
- (4) Cost of Living Adjustments (COLA) was reduced from 2.50% to 2.00%,
- (5) The discount rate was reduced from 7.50% to 7.00%,
- (6) Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and,
- (7) Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

2018-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

**Mt. Healthy City School District**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2022**

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2017: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates,
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, and
- (8) The discount rate was reduced from 7.75% to 7.50%.

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

**State Teachers Retirement System (STRS)**

**Changes in Benefit Terms:**

2019-2022: There were no changes in benefit terms from the amounts reported for these fiscal years.

2018: STRS decreased the Cost of Living Adjustment (COLA) to zero.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

**Changes in Assumptions:**

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2018: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The long term expected rate of return was reduced from 7.75% to 7.45%,
- (2) The inflation assumption was lowered from 2.75% to 2.50%,
- (3) The payroll growth assumption was lowered to 3.00%,
- (4) Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation,
- (5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
- (6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

**Mt. Healthy City School District**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2022**

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**Note 3 - Net OPEB (Asset)/Liability**

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**School Employees Retirement System (SERS)**

**Changes in Benefit Terms:**

2017-2022: There were no changes in benefit terms from the amounts reported for these fiscal years.

**Changes in Assumptions:**

2022: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
  - Prior Measurement Date 2.63%
  - Measurement Date 2.27%
- (2) Investment Rate of Return:
  - Prior Measurement Date 7.50%
  - Measurement Date 7.00%
- (3) Assumed Rate of Inflation:
  - Prior Measurement Date 3.00%
  - Measurement Date 2.40%
- (4) Payroll Growth Assumption:
  - Prior Measurement Date 3.50%
  - Measurement Date 1.75%
- (5) Assumed Real Wage Growth:
  - Prior Measurement Date 0.50%
  - Measurement Date 0.85%
- (6) Municipal Bond Index Rate:
  - Prior Measurement Date 2.45%
  - Measurement Date 1.92%
- (7) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  - Prior Measurement Date 2.63%
  - Measurement Date 2.27%
- (8) Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- (9) Rate of health care participation for future retirees and spouses was updated to reflect recent.
- (10) Mortality among active members was updated to the following:
  - a. PUB-2010 General Amount Weighted Below Median Employee mortality table.
- (11) Mortality among service retired members was updated to the following:
  - a. PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.
- (12) Mortality among beneficiaries was updated to the following:
  - a. PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.
- (13) Mortality among disabled member was updated to the following:
  - a. PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.

**Mt. Healthy City School District**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2022**

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(14) Mortality rates are projected using a fully generational projection with Scale MP-2020.

2021: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
  - Prior Measurement Date 3.22%
  - Measurement Date 2.63%
- (2) Municipal Bond Index Rate:
  - Prior Measurement Date 3.13%
  - Measurement Date 2.45%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  - Prior Measurement Date 3.22%
  - Measurement Date 2.63%

2020: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
  - Prior Measurement Date 3.70%
  - Measurement Date 3.22%
- (2) Municipal Bond Index Rate:
  - Prior Measurement Date 3.62%
  - Measurement Date 3.13%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  - Prior Measurement Date 3.70%
  - Measurement Date 3.22%

2019: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
  - Prior Measurement Date 3.63%
  - Measurement Date 3.70%
- (2) Municipal Bond Index Rate:
  - Prior Measurement Date 3.56%
  - Measurement Date 3.62%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  - Prior Measurement Date 3.63%
  - Measurement Date 3.70%

2018: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
  - Fiscal Year 2018 3.63%
  - Fiscal Year 2017 2.98%
- (2) Municipal Bond Index Rate:
  - Fiscal Year 2018 3.56%
  - Fiscal Year 2017 2.92%

**Mt. Healthy City School District**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2022**

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

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

2017: The following changes of assumptions affected the total OPEB liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, and
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

**State Teachers Retirement System (STRS)**

**Changes in Benefit Terms:**

2022: The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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

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% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive \$29.90 per month to reimburse a portion of

**Mt. Healthy City School District**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended June 30, 2022**

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the Medicare Part B premium. The reimbursement was set to be reduced to \$0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

2018: The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.10% to 1.90% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

2017: There were no changes in benefit terms from the amounts reported for this fiscal year.

**Changes in Assumptions:**

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

2021: There were changes in assumptions during the measurement year, which decreased the total OPEB liability by approximately \$0.26 billion. The assumption changes included changes in healthcare costs and trends.

2020: There were changes in assumptions during the measurement year, which increased the total OPEB liability by approximately \$0.04 billion. The assumption changes included changes in healthcare costs and trends.

2019: The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

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

2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

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**APPENDIX B  
BUDGET APPROPRIATIONS  
(FY 2023)**

[SEE ATTACHED]

Fund	Func	Object	SCC	Description	APPROPRIATION
1	1100	100	0	INSTRUCTIONAL Salaries	\$9,715,387
1	1100	200	0	INSTRUCTIONAL Benefits	\$3,221,439
1	1100	400	0	INSTRUCTIONAL Purchased Services	\$494,695
1	1100	500	0	INSTRUCTIONAL Supplies	\$428,801
1	1100	600	0	INSTRUCTIONAL Capital Outlay	\$200
1	1200	100	0	SPECIAL ED Salaries	\$4,488,715
1	1200	200	0	SPECIAL ED Benefits	\$1,623,827
1	1200	400	0	SPECIAL ED Purchased Services	\$2,380,474
1	1200	500	0	SPECIAL ED Supplies	\$58,083
1	1300	400	0	VOCATIONAL Purchased Services	\$38,400
1	1900	100	0	OTHER Instructional Salaries	\$352,740
1	1900	200	0	OTHER INSTRUCTION Benefits	\$114,230
1	1900	400	0	OTHER INSTRUCTION Purchased Services	\$8,454,819
1	2100	100	0	PUPIL SUPPORT Salaries	\$1,379,170
1	2100	200	0	PUPIL SUPPORT Benefits	\$449,291
1	2100	400	0	PUPIL SUPPORT Purchased Services	\$1,133,742
1	2100	500	0	PUPIL SUPPORT Supplies	\$49,658
1	2100	800	0	PUPIL SUPPORT Other	\$29,147
1	2200	100	0	INSTRUCTIONAL SUPPORT Salaries	\$971,621
1	2200	200	0	INSTRUCTIONAL SUPPORT Benefits	\$285,577
1	2200	400	0	INSTRUCTIONAL SUPPORT Purchased Services	\$657,952
1	2200	500	0	INSTRUCTIONAL SUPPORT Supplies	\$85,431
1	2200	600	0	INSTRUCTIONAL SUPPORT Capital Outlay	\$875,854
1	2200	800	0	INSTRUCTIONAL SUPPORT Other	\$1,700
1	2300	100	0	BOARD OF EDUCATION Salaries	\$11,004
1	2300	200	0	BOARD OF EDUCATION Benefits	\$3,526
1	2300	400	0	BOARD OF EDUCATION Purchased Services	\$58,931
1	2300	500	0	BOARD OF EDUCATION Supplies	\$470
1	2300	800	0	BOARD OF EDUCATION Other	\$17,583
1	2400	100	0	ADMINISTRATIVE Salaries	\$1,996,518
1	2400	200	0	ADMINISTRATIVE Benefits	\$643,761
1	2400	400	0	ADMINISTRATIVE Purchased Services	\$132,597
1	2400	500	0	ADMINISTRATIVE Supplies	\$39,035
1	2400	600	0	ADMINISTRATIVE Capital Outlay	\$1,399
1	2400	800	0	ADMINISTRATIVE Other	\$9,554
1	2500	100	0	FISCAL OFFICE Salaries	\$442,513
1	2500	200	0	FISCAL OFFICE Benefits	\$146,731
1	2500	400	0	FISCAL OFFICE Purchased Services	\$56,593
1	2500	500	0	FISCAL OFFICE Supplies	\$1,492
1	2500	800	0	FISCAL OFFICE Other	\$224,894
1	2600	100	0	BUSINESS SUPPORT Salaries	\$124,313
1	2600	200	0	BUSINESS SUPPORT Benefits	\$39,942
1	2600	400	0	BUSINESS SUPPORT Purchased Services	\$77,397
1	2600	800	0	BUSINESS Miscellaneous	\$880
1	2700	100	0	PLANT OPERATION Salaries	\$404,465
1	2700	200	0	PLANT OPERATION Benefits	\$196,440
1	2700	400	0	PLANT OPERATION Purchased Services	\$2,710,984
1	2700	500	0	PLANT OPERATION Supplies	\$93,524

1	2700	600	0 PLANT OPERATION Capital Outlay	\$411,033
1	2800	100	0 TRANSPORTATION Salaries	\$8,201
1	2800	200	0 TRANSPORTATION Benefits	\$23,333
1	2800	400	0 TRANSPORTATION Purchased Services	\$2,324,385
1	2800	500	0 TRANSPORTATION Supplies	\$82,653
1	2900	100	0 CENTRAL SUPPORT Salaries	\$112,774
1	2900	200	0 CENTRAL SUPPORT Benefits	\$32,268
1	2900	400	0 CENTRAL SUPPORT Purchased Services	\$23,579
1	2900	500	0 CENTRAL SUPPORT Supplies	(\$103)
1	2900	800	0 CENTRAL SUPPORT Other	\$15,129
1	3200	100	0 COMMUNITY SERVICE Salaries	\$142,944
1	3200	200	0 COMMUNITY SERVICE Benefits	\$40,813
1	3200	400	0 COMMUNITY SERVICE Purchased Services	\$4,522
1	4100	100	0 ACADEMIC ORIENTED Salaries	\$25,194
1	4100	200	0 ACADEMIC ORIENTED Benefits	\$4,146
1	4100	400	0 ACADEMIC ORIENTED Purchased Services	\$-
1	4100	800	0 GENERAL ACADEMIC/SUBJECT ORIENTED MISCELLANEO	\$770
1	4500	100	0 SPORT ORIENTED Salaries	\$425,245
1	4500	200	0 SPORT ORIENTED Benefits	\$108,891
1	4500	400	0 SPORT ORIENTED Purchased Services	\$60,248
1	4600	100	0 SCHOOL AND PUBLIC SERVICE Salaries	\$15,284
1	4600	200	0 SCHOOL AND PUBLIC SERVICE Benefits	\$2,373
1	5600	800	0 FACILITIES Other	\$17,865
1	7200	900	0 Transfers	\$380,136
2	2500	800	0 Bond Retirement Misc	\$29,805
2	6100	810	0 BOND Repayment of Short Term Note	\$990,000
2	6100	820	0 BOND Repayment of Short Term Bond	\$1,111,675
2	6100	810	9004 BOND RETIRE REPAYMENT OF DEBT REDEMPTION OF P	\$400,000
2	6100	820	9004 BOND RETIRE REPAYMENT OF DEBT INTEREST	\$231,787
4	5300	400	0 BUILDING ARCHITECT/ENGINEERING PURCHASED SERV	\$654,689
4	5500	400	0 BUILDING BLDG ACQUISITION/CONSTRUCT PURCHASED	\$42,241
4	5500	600	0 Building Acquisition	\$7,018,505
4	7200	900	0 BUILDING TRANSFER OTHER USES OF FUNDS	\$473,339
6	2200	400	0 FOOD SERVICE SUPP SERV-INSTRUCT STAFF PURCHAS	\$561
6	2700	400	0 Food Service Purchased Services	\$4,516
6	3100	100	0 Food Service Salaries	\$848,213
6	3100	200	0 Food Service Benefits	\$389,045
6	3100	400	0 Food Service Purchased Services	\$21,299
6	3100	500	0 Food Service Supplies	\$246,690
6	3100	800	0 Food Service Other	\$3,261
6	3100	100	9001 FOOD SERVICE FOOD SERV OPERATION PERSONAL SER	\$12,461
6	3100	200	9001 FOOD SERVICE FOOD SERV OPERATION EMPLOYEES RE	\$2,067
6	3100	400	9001 FOOD SERVICE FOOD SERV OPERATION PURCHASED SE	\$39
6	3100	500	9001 FOOD SERVICE FOOD SERV OPERATION SUPPLY/MATER	\$20,670
6	3100	800	9001 FOOD SERVICE FOOD SERV OPERATION MISCELLANEOU	\$50
6	3100	200	9002 FOOD SERVICE FOOD SERV OPERATION EMPLOYEES RE	\$252
6	3100	500	9003 FOOD SERVICE FOOD SERVICES OPERATIONS SUPPLIES AND MATERIALS	\$52,044
6	3200	500	9020 FOOD SERVICE COMMUNITY SUPPLY/MATERIAL	\$2,969
7	4100	800	9011 BOB KLINE MEMORIAL	\$386

14	4100	800	9222 rotary	\$302
18	4600	800	9011 CENTRAL OFFICE HOSPITALITY/MISC.ACTIVITY	\$553
18	4600	800	9102 HS PRINCIPALS ACCOUNT	\$6,357
18	4600	800	9223 NE Princ	\$1,446
18	4600	800	9303 DW NEEDIEST KIDS OF ALL	\$2,812
18	4600	800	9331 Princ	\$150
18	4600	800	9333 PUBLIC SCHOOL SUPPORT SCHL/PUBLIC SERV CO-CUR	\$464
18	4600	800	9441 JH Principal	\$81
19	4100	800	9103 emergency assistant	\$1,470
19	4100	800	9106 HS SCOPE	\$378
19	2100	800	9109 HS Academic Scholarship	\$515
19	1200	500	9111 OTHER GRANT SPEC INSTRUCT SUPPLY/MATERIAL	\$413
19	2100	400	9333 OTHER GRANT SUPPORT SERV-PUPILS PURCHASED SER	\$6,605
19	2200	500	9337 OTHER GRANT SUPP SERV-INSTRUCT STAFF SUPPLY/M	\$3,771
34	2500	800	0 CLASSROOM FAC. MAINT. FISCAL MISCELLANEOUS OB	\$1,787
34	2700	400	0 CLASSROOM FAC. MAINT. OPERATION/MAINT OF PLAN	\$133,400
300	4500	400	9101 ATHLETIC PURCHASED SERVICES	\$19,074
300	4500	800	9101 ATHLETIC DEPT	\$85,715
300	4500	800	9104 HS VOLLEYBALL	\$1,681
300	4500	800	9106 BOYS BASKETBALL	\$4,704
300	4500	800	9107 HS BOYS FOOTBALL	\$800
300	7200	900	9115 TOURNAMENT	\$4,286
300	4500	800	9116 DISTRICT MANAGED ACT SPORT ORIENTED ACTIVITY	\$1,376
507	1100	600	9223 ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND REGULAR INSTRUCTION CAPITAL OUTL/	\$31,766
572	3200	500	9233 TITLE I DISADVANTAGED CHILDREN COMMUNITY RECREATION SERVICES SUPPLIES AND MATERIALS	\$2,500

**APPENDIX C  
FIVE YEAR FORECAST**

[SEE ATTACHED]

Mt Healthy City - 044412 (Hamilton)  
 Fiscal Year 2023 Five-Year Forecast for First Required Submission (Fall)  
 Revenues and Other Financing Sources Only

Submission date: 11/30/2022

Forecast Line and Description	Actual 2020	Actual 2021	Actual 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027
01.010 : General Property Tax (Real Estate)	10,105,492	10,073,598	10,975,897	10,966,494	11,130,991	11,297,956	11,467,426	11,639,437
01.020 : Tangible Personal Property Tax	1,123,521	1,082,047	599,671	1,758,041	1,175,746	1,193,292	1,211,191	1,229,259
01.035 : Unrestricted Grants-in-Aid	30,175,920	28,112,846	25,795,141	25,795,141	25,795,141	25,795,141	25,795,141	25,795,141
01.040 : Restricted Grants-in-Aid	1,039,293	3,279,051	1,910,800	3,279,051	3,279,051	3,279,051	3,279,051	3,279,051
01.050 : Property Tax Allocation	1,664,841	1,553,810	1,515,949	1,553,000	1,558,339	1,581,714	1,605,440	1,629,521
01.060 : All Other Operating Revenue	2,015,878	1,473,409	1,987,060	1,574,800	1,623,296	1,655,761	1,688,877	1,722,654
01.070 : Total Revenue	46,124,945	45,574,761	42,784,518	44,926,527	44,562,564	44,802,915	45,047,125	45,295,063
02.060 : All Other Financing Sources	291,664	1,895,645	385,448	510,566	158,211	161,386	164,613	164,613
02.070 : Total Other Financing Sources	291,664	1,895,645	385,448	510,566	158,211	161,386	164,613	164,613
02.080 : Total Revenue and Other Financing Sources	46,416,609	47,470,406	43,169,966	45,437,093	44,720,775	44,964,301	45,211,738	45,459,676

Mt Healthy City - 044412 (Hamilton)  
 Fiscal Year 2023 Five-Year Forecast for First Required Submission (Fall)  
 Expenditures and Other Financing Uses Only

Submission date: 11/30/2022

Forecast Line and Description	Actual 2020	Actual 2021	Actual 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027
03.010 : Personal Services - Employee Salaries & Wages	20,318,236	20,616,089	22,558,965	22,984,112	23,788,556	24,740,098	25,729,702	26,758,890
03.020 : Employees' Retirement and Insurance Benefits	6,670,800	6,936,589	7,648,618	8,105,490	8,672,874	9,279,976	9,929,574	10,624,644
03.030 : Purchased Services	17,711,978	18,617,632	12,483,896	12,694,757	13,414,680	13,682,974	13,956,633	14,235,766
03.040 : Supplies and Materials	1,115,040	836,034	1,198,134	1,132,758	1,533,413	1,356,501	2,012,031	1,600,011
03.050 : Capital Outlay	268,068	1,288,486	689,813	660,774	673,990	687,469	701,219	715,243
04.300 : Other Objects	335,246	317,521	457,658	927,054	851,532	858,529	865,700	873,014
04.500 : Total Expenditures	46,419,368	48,612,351	45,037,084	46,504,945	48,935,045	50,605,547	53,194,859	54,807,568
05.010 : Operational Transfers-Out	210,000	380,136	200,000	0	0	0	0	0
05.040 : Total Other Financing Uses	210,000	380,136	200,000	0	0	0	0	0
05.050 : Total Expenditures and Other Financing Uses	46,629,368	48,992,487	45,237,084	46,504,945	48,935,045	50,605,547	53,194,859	54,807,568

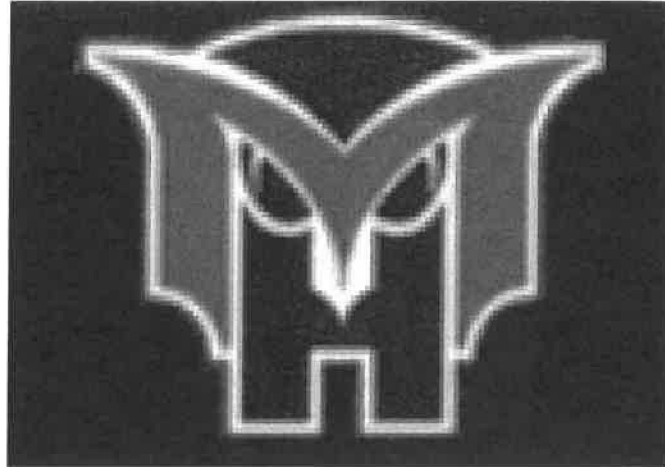
Mt Healthy City - 044412 (Hamilton)  
 Fiscal Year 2023 Five-Year Forecast for First Required Submission (Fall)  
 Excess of Revenue Over/(Under) Expenditures; Cash and Fund Balances

Submission date: 11/30/2022

Forecast Line and Description	Actual 2020	Actual 2021	Actual 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027
02.080 : Total Revenue and Other Financing Sources	46,416,609	47,470,406	43,169,966	45,437,093	44,720,775	44,964,301	45,211,738	45,459,676
05.050 : Total Expenditures and Other Financing Uses	46,629,368	48,992,487	45,237,084	46,504,945	48,935,045	50,605,547	53,194,859	54,807,568
06.010 : Excess Of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	(212,759)	(1,522,081)	(2,067,118)	(1,067,852)	(4,214,270)	(5,641,246)	(7,983,121)	(9,347,892)
07.010 : Beginning Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	24,040,746	23,827,987	22,305,906	20,238,788	19,170,936	14,956,666	9,315,420	1,332,299
07.020 : Ending Cash Balance June 30 - Excluding Proposed Renewal/Replacement and New Levies	23,827,987	22,305,906	20,238,788	19,170,936	14,956,666	9,315,420	1,332,299	(8,015,593)
10.010 : Fund Balance June 30 For Certification of Appropriations	23,827,987	22,305,906	20,238,788	19,170,936	14,956,666	9,315,420	1,332,299	(8,015,593)
12.010 : Fund Balance June 30 For Certificates of Contracts Salary Schedules, and Other Obligations	23,827,987	22,305,906	20,238,788	19,170,936	14,956,666	9,315,420	1,332,299	(8,015,593)
15.010 : Unreserved Fund Balance June 30	23,827,987	22,305,906	20,238,788	19,170,936	14,956,666	9,315,420	1,332,299	(8,015,593)



**MT. HEALTHY CITY SCHOOL DISTRICT  
HAMILTON COUNTY  
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES  
IN THE GENERAL FUND BALANCE FOR FISCAL YEARS ENDED  
FORECASTED FOR FISCAL YEARS ENDING  
JUNE 30, 2023, 2024, 2025, 2026 AND 2027**



**Forecast Provided By Mt. Healthy City School District  
Treasurer's Office  
Rebecca Brooks, Treasurer/CFO  
November, 2022**

**Mt. Healthy City Schools – Hamilton County**  
**Notes to the Five Year Forecast**  
**November, 2022**

**2022-2023**

**REVENUE**

- 1.010 Real Estate Taxes—Used County Auditor’s estimate.
- 1.020 Tangible Personal Property—Used County Auditor’s estimate.
- 1.035 Unrestricted Grants-in-aid—Taken from the November Foundation Funding Report.
- 1.040 Restricted Grants-in-aid—Taken from the November Foundation Funding Report plus historical Catastrophic revenue.
- 1.050 Property Tax Allocation—Based on Auditor’s estimate plus historical information.
- 1.060 All Other Revenues—Based on current collection and historical information.

**2022-2023**

**EXPENDITURES**

- 3.010 Personal Services—Used appropriations developed from 8-22 payroll and year to date paid.
- 3.020 Employee Benefits—Used appropriations developed from September payments and year to date paid.
- 3.030 Purchased Services—Used 6% increase to accommodate increases in Special Education needs, EdChoice and Jon Peterson vouchers and open enrollment costs.
- 3.040 Supplies and Materials—Used 3% increase on base and excluded portion of textbook purchase.
- 3.050 Capital Outlay—Nominal increase over prior year.

**2023-2024**

**REVENUE**

- 1.010 Real Estate Taxes—Used 2% increase.
- 1.035 Unrestricted Grants-in-aid—Taken from the November Foundation Funding Report.
- 1.040 Restricted Grants-in-aid—Taken from the November Foundation Funding Report plus historical Catastrophic revenue.
- 1.050 Property Tax Allocation—Based on Auditor’s estimate plus historical information.
- 1.060 All Other Revenues—Based on current collection and historical information.

**2023-2024**

**EXPENDITURES**

- 3.010 Personal Services—Used appropriations developed from 8-22 payroll and year to date paid.
- 3.020 Employee Benefits—Used appropriations developed from September payments and year to date paid.
- 3.030 Purchased Services—Used 6% increase to accommodate increases in Special Education needs, EdChoice and Jon Peterson vouchers and open enrollment costs.
- 3.040 Supplies and Materials—Used 3% increase on base and excluded portion of textbook purchase.
- 3.050 Capital Outlay—Nominal increase over prior year.

**Mt. Healthy City Schools – Hamilton County**  
**Notes to the Five Year Forecast**  
**November, 2022**

**2024-2025**

**REVENUE**

- 1.010 Real Estate Taxes—Use nominal increase of 2% from Auditor’s estimates.
- 1.035 Unrestricted Grants-in-aid—Carried forward same level of funding as prior year because of change in state leadership.
- 1.040 Restricted Grants-in-aid— Nominal increase.
- 1.050 Property Tax Allocation—Used less than 1% increase.
- 1.060 All Other Revenues— Estimate based on previous collections.

**2024-2025**

**EXPENDITURES**

- 3.010 Personal Services—Increased previous year by increment figure of 2.5%.
- 3.020 Employee Benefits—Increased entire line by 4% to allow for potential health benefit costs’ increase.
- 3.030 Purchased Services—Increased previous year by 2.%.
- 3.040 Supplies and Materials—Increased to add textbook adoption.
- 3.050 Capital Outlay—Increased by 2%.

**2025-2026**

**REVENUE**

- 1.010 Real Estate Taxes—Added 2% increase (County Auditor usually estimates 97% of valuation.
- 1.035 Unrestricted Grants-in-aid—Nominal increase of 0.5%.
- 1.040 Restricted Grants-in-aid— Increased due to categorical issues.
- 1.050 Property Tax Allocation—Less than 0.5% increase.
- 1.060 All Other Revenues—Included 2% increase.

**2025-2026**

**EXPENDITURES**

- 3.010 Personal Services—Increased previous year by estimated of 2.5%.
- 3.020 Employee Benefits—Increased entire line by 4% to allow for potential health benefit costs’ increase.
- 3.030 Purchased Services—Increased previous year by 2.5%.
- 3.040 Supplies and Materials—Increased by 2%.
- 3.050 Capital Outlay—Increased by 2%.

**2026-2027**

**REVENUE**

- 1.010 Real Estate Taxes—Added 2% increase (County Auditor usually estimates 97% of valuation.)
- 1.035 Unrestricted Grants-in-aid—Nominal increase of 0.5%.
- 1.040 Restricted Grants-in-aid— Increased due to categorical issues.
- 1.050 Property Tax Allocation—Less than 0.5% increase.

**Mt. Healthy City Schools – Hamilton County**  
**Notes to the Five Year Forecast**  
**November, 2022**

1.060 All Other Revenues—Included 2% increase.

**2026-2027**

**EXPENDITURES**

3.010 Personal Services—Increased previous year by estimated of 2%.

3.020 Employee Benefits—Increased entire line by 4% to allow for potential health benefit costs' increase.

3.030 Purchased Services—Increased previous year by 2.5%.

3.040 Supplies and Materials—Increased by 2%.

3.050 Capital Outlay—Increased by 2%.

Notes: Revenue estimates are extremely conservative particularly in later years. Expenditures are strictly rough estimates.

**APPENDIX D  
FINANCIAL STATEMENT**

**FINANCIAL STATEMENT  
FOR  
BOARD OF EDUCATION  
Ohio Revised Code Sections 133.04, 133.06 and 133.33**

I, Rebecca J. Brooks, Treasurer of the Board of Education of the Mt. Healthy City School District in Hamilton County, Ohio, do hereby certify that the following statements concerning the finances of such Board of Education and School District are true and correct:

1.	Tax valuation of the School District as shown by the tax lists and duplicates for the calendar year 2022, the year most recently certified for collection:.....	\$ <u>347,755,030.00</u>
2.	Total principal amount of all outstanding securities of the Board of Education, including the present issue of N/A .....	\$ <u>29,500,000.00</u>
3.	Exempt securities included in item 2:	
	(a) Notes issued in anticipation of the collection of current revenues under Section 133.10 O.R.C.: .....	\$ <u>0.00</u>
	(b) Notes issued in anticipation of the collection of taxes under Sections 133.10 or 133.301 O.R.C.: .....	\$ <u>0.00</u>
	(c) Notes with maturities over one year and issued in anticipation of the collection of the proceeds from a specifically identified voter-approved tax levy under Section 5705.194 or Section 5705.21 O.R.C.: .....	\$ <u>0.00</u>
	(d) Securities issued under Sections 139.01 to 139.04 O.R.C. to participate in Federal aid programs: .....	\$ <u>0.00</u>
	(e) Securities issued prior to August 19, 1994 to finance energy conservation measures under Section 3313.372 O.R.C.: .....	\$ <u>0.00</u>
	(f) Securities evidencing loans received under Sections 3313.483, 3317.0211 and 3317.64 O.R.C.: .....	\$ <u>0.00</u>
	(g) Securities issued for school buses and other equipment used in transporting pupils under Section 133.06(D) O.R.C.: .....	\$ <u>0.00</u>
	(h) Securities issued to establish a self-insurance program for health care benefits under Section 9.833 O.R.C.: .....	\$ <u>0.00</u>
	(i) Other exempt securities: .....	\$ <u>9,315,000.00</u>
	Total of items 3(a) to 3(i), inclusive: .....	\$ <u>9,315,000.00</u>
4.	(a) Total securities subject to 9% limitation [item 2 minus item 3]: .....	\$ <u>20,185,000.00</u>
	(b) Bond retirement fund applicable to principal of such securities: .....	\$ <u>0.00</u>
	(c) Net amount subject to 9% limitation: .....	\$ <u>20,185,000.00</u>
5.	Securities included in item 4(a), but issued without authority of an election: .....	\$ <u>0.00</u>
6.	(a) Securities included in item 5 issued for energy conservation measures under Section 3313.372 O.R.C. after August 19, 1994 and Section 133.06(G) O.R.C.: .....	\$ <u>0.00</u>
	(b) Bond retirement fund applicable to principal of such securities: .....	\$ <u>0.00</u>
	(c) Net amount subject to 9/10 of 1% limitation of Section 133.06(G) O.R.C.: .....	\$ <u>0.00</u>
7.	(a) Unvoted securities issued for other purposes [item 5 minus item 6(a)]: .....	\$ <u>0.00</u>
	(b) Bond retirement fund applicable to principal of such securities: .....	\$ <u>0.00</u>
	(c) Net amount subject to 1/10 of 1% limitation of Section 133.06(A) O.R.C.: .....	\$ <u>0.00</u>
8.	Bonds or notes issued for the purchase of classroom facilities from the State under Chapter 3318 O.R.C., included in item 4(a): .....	\$ <u>20,185,000.00</u>
9.	Bonds or notes included in item 4(a) but issued beyond 9% limitation by virtue of certification as approved special needs district under Section 133.06(E) O.R.C.: .....	\$ <u>0.00</u>

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of March, 2023.

\_\_\_\_\_  
/s/ Rebecca J. Brooks  
Treasurer

**2023 ADDENDUM  
VOLUNTARY DISCLOSURE  
REGARDING THE IMPACT OF THE COVID-19 PANDEMIC**

*The District is providing this Addendum on a voluntary basis and by releasing such Addendum undertakes and assumes no obligation to further update the information contained herein except as otherwise required by law.*

*This Addendum is current only as of date of this Annual Information Statement to which it is attached and the District makes no representation as to the accuracy or completeness of the information contained herein after the release of such Annual Information Statement.*

\*\*\*\*\*

**Information provided by the District**

***FY 2021 Audited Financial Statements.*** The Audited Financial Statements of the District for FY 2021, which are posted separately on EMMA<sup>2</sup>, provided information regarding the impact of the COVID-19 Pandemic on the District as of the date thereof, including, but not limited to, information available under the following sections:

- Pg. 2: Independent Auditor’s Report- Emphasis of Matters
- Pg. 52: Notes to the Basic Financial Statements - Note 19 – COVID-19
- Pg. 69: Schedule of Expenditures of Federal Awards
- Pg. 71: Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

***FY 2022 Unaudited Financial Statements.*** The FY 2022 Unaudited Financial Statements of the District, which are attached as *Appendix A* to this Annual Financial Information Statement, provide information regarding the impact of the COVID-19 Pandemic on the District as of the date thereof, including, but not limited to, information available under the following sections:

- Pg. 1: Overview of the Financial Statements
- Pg. 9: Management’s Discussion and Analysis – The District’s Funds – American Rescue Plan Act Fund”
- Pg. 14: Balance Sheet – Governmental Funds
- Pg. 16: Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
- Notes to the Basic Financial Statements
  - Pgs. 18-20: Note 2 – Summary of Significant Accounting Policies – Governmental Funds
  - Pgs. 50-51: Note 17: Fund Balances

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<sup>2</sup> The FY 2021 Audit is available from EMMA under the applicable issues of the District and from the website of the Ohio Auditor of State at: <https://ohioauditor.gov/auditsearch/Search.aspx>. The references to these websites are for the purpose of accessing the audited financials of the District only; the District does not make any representation as to the accuracy of the information appearing on such website. The District does not undertake any obligation to maintain or update such website or such information contained on such website.

- Pgs. 51-52: Note 18: Implementation of New Accounting Principles and Restatement of Net Position/Fund Balance
- Pg. 52: Note 19 – COVID-19
- Pg. 63: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
- Pg. 65: Notes to the Required Supplementary Information – Note 1 – Budgetary Process

## **Additional Information**

### ***Federal Assistance.***

*General.* The U.S. Congress adopted the following legislation in order to provide federal assistance in managing the collateral effects of the COVID-19 Pandemic:

(a) In March 2020, three separate measures including (i) the Coronavirus Preparedness and Response Supplemental Appropriations Act, (ii) the Families First Coronavirus Response Act, and (iii) the Coronavirus, Relief and Economic Security (or “CARES”) Act, providing approximately \$3 trillion to deliver fast and direct economic assistance to American workers, families and small businesses. The CARES Act established many programs including (i) the Coronavirus Relief Fund (“CRF”) to provide assistance to states and eligible units of local governments to cover costs related to the COVID-19 Pandemic and (ii) the Elementary and Secondary School Emergency Relief (“ESSER”) Fund to provide emergency relief funds for public and non-public institutions of higher education and elementary and secondary schools (as initially funded, the “ESSER I Fund”);

(b) In December 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (the “CRRSA Act”), providing approximately \$900 billion in additional assistance, including an additional \$54.3 billion for the ESSER Fund (the “ESSER II Fund”); and

(c) In March 2021, the American Rescue Plan Act of 2021 (the “ARP Act”), providing approximately \$1.9 trillion in additional assistance, including (i) an additional \$122 billion for the ESSER Fund (the “ARP ESSER Fund”) and (ii) the establishment of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). The SLFRF provided \$350 billion in emergency funding for state, local, territorial and tribal governments to address the rising costs of providing services and falling revenues.

[Remainder of page intentionally left blank]

*Federal Assistance received by the District.* A summary of the federal assistance related to the COVID-19 Pandemic (the “Federal Assistance”) which has been awarded to the District and the status of expenditures related thereto as of February 15, 2023 is presented below:

<b>Program/Grant</b>	<b>Amount Awarded</b>	<b>Status</b>
CARES -- CRF (State)	\$ 252,876.57	Fully spent
CARES – CRF (County)	155,550.00	Fully spent
ESSER I	1,832,768.35	Fully spent
ESSER II	7,228,346.76	Partially spent
ARP ESSER	16,213,686.66	Partially spent
ARP - SLFRF <sup>†</sup>	500,000.00	Fully spent
<b>TOTAL</b>	<b>\$26,183,228.34</b>	

<sup>†</sup> The District received an award from Ohio’s K-12 School Safety Grant Program, which was provided by the Ohio Facilities Construction Commission (OFCC) from State ARP – SLFRF funds. This award is not included in the calculation of the total amounts received and spent which are provided in the paragraph below.

With respect to the CARES and ESSER funds awarded, in FY 2022, the District received a total of approximately \$5,702,110.34 and spent (or applied to reimbursement for eligible expenditures) a total of approximately \$5,790,903.53.

The District has used and/or anticipates using ESSER funds for acquiring HVAC upgrades and hiring additional staff to assist with the loss of learning due to the COVID-19 Pandemic.

**Reductions in State Funding.** As a result of the impact of the COVID-19 Pandemic on the 2020-2021 State Biennium Budget, on May 5, 2020, Governor DeWine announced a State budget reduction for the final two months of FY 2020 in the amount of \$775 million, including a \$300 million reduction in State funding appropriated for school districts (“State Foundation Aid”) in FY 2020 (which represented a 3.7 percent reduction) and a \$55 million reduction in other education budget line items. On July 6, 2020, the Ohio Department of Education had announced that the 3.7 percent budget reduction in State Foundation Aid for FY 2020 would continue in FY 2021. However, on January 22, 2021, Governor DeWine signed an executive order partially restoring K-12 State Foundation Aid with a net \$140 million reduction for FY 2021. The amount of the reduction in State Foundation Aid for the District in FY 2020 was \$380,978.00. The revised reduction in State Foundation Aid for the District in FY 2021 was \$172,034.85. The new Fair School Funding Plan was approved in the FY 2022 - 2023 State Budget (as further discussed in the November 2022 Forecast). The reduction in State Foundation Aid for FY 2022 was \$517,415, due to factors other than the COVID-19 Pandemic.

**Property Tax Revenues.** While the effects of the COVID-19 Pandemic on the local economy have the potential to adversely impact property tax revenues, to date, neither property tax valuation nor property tax revenues have been impacted in a materially adverse manner.

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While the COVID-19 Pandemic has the potential to adversely affect the finances of the District, to date, the COVID-19 Pandemic has not had a material adverse impact thereon. The federal relief funds received by the District have assisted the District in managing such impact and covering necessary expenditures. The District cannot predict the full effect that the COVID-19 Pandemic will have on its financial condition or operations and will continue to monitor the impact.