OHIO AUDITOR OF STATE
KEITH FABER

BARNESVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
BELMONT COUNTY
JUNE 30, 2023

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BELMONT COUNTY
JUNE 30, 2023

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Barnesville Exempted Village School District
Belmont County
210 West Church Street
Barnesville, Ohio 43713

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Barnesville Exempted Village School District, Belmont County, Ohio, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Schoolwide Pool Funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

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

Keith Faber
Auditor of State
Columbus, Ohio

February 29, 2024

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

Financial Highlights

Key financial highlights for the fiscal year 2023 are as follows:

- Net position of governmental activities decreased $699,560**.**

- General revenues accounted for $14,579,099, or 81 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $3,452,893, or 19 percent of total revenues of $18,031,992.

- Total assets of governmental activities increased $746,483, primarily due to an increase in current and other assets related to increases in cash and cash equivalents. Total liabilities increased $5,772,165, primarily due to an increase in net pension liability.

- The School District had $18,731,552 in expenses related to governmental activities; only $3,452,893 of these expenses were offset by program specific charges for services, operating grants contributions, and capital grants and contributions. General revenues of $14,579,099 were adequate to provide for these programs.

- Governmental funds had total revenues in the amount of $17,918,785 and $18,581,248 in expenditures. Overall, including other financing sources and uses, the fund balance of total Governmental funds increased $575,037.

Using this Annual Financial Report

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

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

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

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

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

In the Statement of Net Position and the Statement of Activities, all of the School District's activities are considered to be Governmental Activities including instruction, support services, operation of non-instructional services, food service operations, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 11. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund and Schoolwide Pool Special Revenue Fund.

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

Reporting the School District's Fiduciary Responsibilities

The School District is the trustee, or fiduciary, for a scholarship program. This activity is presented as a private purpose-trust fund. The School District also acts as custodian of funds for organizations and other government units. These activities are reported as custodial funds. The School District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2023 compared to 2022.

Table 1
Net Position
Governmental Activities

	2023	2022	Change
Assets			
Current and Other Assets	$18,346,646	$17,960,146	$386,500
Net OPEB Asset	1,192,275	981,719	210,556
Capital Assets	11,716,518	11,567,091	149,427
Total Assets	31,255,439	30,508,956	746,483
Deferred Outflow of Resources			
Pension	3,286,409	3,451,920	(165,511)
OPEB	450,872	556,114	(105,242)
Total Deferred Outflows of Resources	3,737,281	4,008,034	(270,753)
Liabilities			
Current and Other Liabilities	2,098,426	2,151,700	(53,274)
Long-Term Liabilities:			
Due Within One Year	277,060	223,213	53,847
Due in More Than One Year:			
Net Pension Liability	13,366,748	8,239,417	5,127,331
Net OPEB Liability	826,919	1,189,242	(362,323)
Other Amounts	1,933,495	926,911	1,006,584
Total Liabilities	18,502,648	12,730,483	5,772,165
Deferred Inflows of Resources			
Deferred Charge on Refunding	0	2,324	(2,324)
Property Taxes	5,909,475	5,640,299	269,176
Pension	1,403,684	6,438,943	(5,035,259)
OPEB	2,018,257	1,846,725	171,532
Total Deferred Inflows of Resources	9,331,416	13,928,291	(4,596,875)
Net Position			
Net Investment in Capital Assets	11,212,296	11,288,376	(76,080)
Restricted	1,647,646	1,316,816	330,830
Unrestricted (Deficit)	(5,701,286)	(4,746,976)	(954,310)
Total Net Position	$7,158,656	$7,858,216	($699,560)

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2023. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits.

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

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

Total, assets increased $746,483. Current and other assets increased $386,500, primarily due to increases in cash and cash equivalents as the School District has $819,689 of unspent proceeds from a financed purchase agreement on hand at June 30, 2023, which was partially offset by a decrease in intergovernmental receivable related to outstanding reimbursable costs for federal grant programs. The School District is reporting a net OPEB asset in the amount of $1,192,275, which is an increase of $210,556 from the prior year. See Note 12 for more detailed information regarding the net OPEB asset. Capital assets increased $149,427, as capital asset additions, including the early phases of the Stadium Turf and Lighting Project, exceeded annual depreciation on existing capital assets.

Total liabilities increased $5,772,165. Current and other liabilities decreased $53,274 primarily due to decreases in accrued wages and benefits payable, as the final pay date of fiscal year 2023 occurred on June 30, 2023. The decrease in accrued wages and benefits payable was partially offset by an increase in unearned revenue related to an advance-funded reimbursable grant, for which eligible costs have not yet been incurred. The increase in long-term liabilities in the amount of $5,825,439 was due primarily to increases in net pension liability due to primarily to decreased investment returns realized by the pension systems, offsetting the decrease in the net pension liability reported in the prior year. Long-term liabilities due in more than one year contributed to the increase in liabilities, as the School District entered into a financed purchase agreement of $1,100,000 to fund the Stadium Turf and Lighting Project.

The School District's deferred inflows of resources decreased $4,596,875, primarily due to the previously mentioned change in the net difference between projected and actual earnings on pension plan investments.

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

Table 2
Changes in Net Position
Governmental Activities

	2023	2022	Change
Revenues			
Program Revenues			
Charges for Services	$842,190	$1,095,957	($253,767)
Operating Grants and Contributions	2,446,153	3,853,485	(1,407,332)
Capital Grants and Contributions	164,550	0	164,550
Total Program Revenues	3,452,893	4,949,442	(1,496,549)
General Revenues			
Property Taxes	6,418,348	6,082,409	335,939
Grants and Entitlements not Restricted to Specific Programs	7,674,017	7,253,945	420,072
Others	486,734	95,042	391,692
Total General Revenues	14,579,099	13,431,396	1,147,703
Total Revenues	**18,031,992**	**18,380,838**	**(348,846)**
Program Expenses			
Instruction			
Regular	7,924,477	7,361,415	563,062
Special	2,561,431	2,118,507	442,924
Vocational	138,437	129,122	9,315
Student Intervention Services	24,808	31,708	(6,900)
Support Services			
Pupil	1,405,269	1,176,778	228,491
Instructional Staff	820,156	893,893	(73,737)
Board of Education	107,488	77,747	29,741
Administration	863,044	860,324	2,720
Fiscal	481,063	464,961	16,102
Business	70,629	58,100	12,529
Operation and Maintenance of Plant	2,064,047	1,973,669	90,378
Pupil Transportation	852,478	872,504	(20,026)
Operation of Non-Instructional Services	2,202	317	1,885
Food Service Operations	760,871	734,231	26,640
Extracurricular Activities	645,363	570,833	74,530
Interest	9,789	4,615	5,174
Total Expenses	**18,731,552**	**17,328,724**	**1,402,828**
Change in Net Position	(699,560)	1,052,114	(1,751,674)
Net Position Beginning of Year	7,858,216	6,806,102	1,052,114
Net Position End of Year	**$7,158,656**	**$7,858,216**	**($699,560)**

For fiscal year 2023, 36 percent of the School District's revenues were from property taxes and 43 percent were from unrestricted grants and entitlements. The increase in unrestricted grant revenues is due increases in State Foundation Funding. The new funding model took effect in fiscal year 2022. The changes in the funding model resulted in reductions in charges for services related to tuition and fees, as open enrollment no longer flows through the residency district and is instead directly paid by the State. The increase in property taxes is due in part to an increase in property taxes available as an advance, which represents amounts collected by the County prior to June 30, 2023, which are available as advance to fund fiscal year 2023 and recognized as revenue.

The decrease in operating grants and contributions program revenue is due to a decrease in Federal funding, most notable, Coronavirus Relief and Elementary and Secondary School Emergency Relief (ESSER) funding, as the School District has drawn, most, if not all, of its allocations. Charges for services program revenue decreased due to reduced tuition and fees received by the General Fund.

Instructional programs comprise 57 percent of total governmental program expenses. Of the instructional expenses, 74 percent is for regular instruction, with 24 percent for special instruction, and vocational and student intervention services account for the remaining 2 percent. In total, program expenses increased $1,402,828, or 8 percent from the prior year. The increase is primarily due to increases in pension expense.

The Statement of Activities shows the cost of program services and the charges for services, and operating grants and contributions, and capital grants and contributions. Table 3 shows the total cost of services and the net cost of services for fiscal year 2023 compared to fiscal year 2022. In other words, it identifies the cost of those services supported by tax revenue and unrestricted entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2023	**2022**	**2023**	**2022**
Program Expenses				
Instruction				
Regular	$7,924,477	$7,361,415	$6,846,698	$5,248,956
Special	2,561,431	2,118,507	1,698,074	1,337,377
Vocational	138,437	129,122	56,999	51,059
Student Intervention Services	24,808	31,708	12,216	15,136
Support Services				
Pupil	1,405,269	1,176,778	1,286,987	1,123,107
Instructional Staff	820,156	893,893	795,479	533,103
Board of Education	107,488	77,747	107,488	77,747
Administration	863,044	860,324	844,036	847,070
Fiscal	481,063	464,961	481,063	460,127
Business	70,629	58,100	70,629	55,077
Operation and Maintenance of Plant	2,064,047	1,973,669	1,826,317	1,772,700
Pupil Transportation	852,478	872,504	852,478	872,504
Operation of Non-Instructional Services	2,202	317	1,445	68
Food Service Operations	760,871	734,231	129,114	(254,929)
Extracurricular Activities	645,363	570,833	259,847	235,565
Interest	9,789	4,615	9,789	4,615
Total Expenses	**18,731,552**	**17,328,724**	**15,278,659**	**12,379,282**

The dependence upon tax revenues and state subsidies for governmental activities is apparent as 82 percent of expenses are supported through taxes and other general revenues.

The School District Funds

Information about the School District's major funds starts on page 15. These funds are accounted for using the modified accrual basis of accounting. The School District has two major funds, the General Fund and the Schoolwide Pool Special Revenue Fund. The General Fund had $14,725,984 in revenues and $12,087,882 in expenditures. Overall, including other financing sources and uses, the General Fund's balance decreased $338,152. General Fund revenues increased primarily due to an improvement in the market value returns of the School District's investments, following a decrease in market value in the prior year. This increase was offset by an increase in regular instruction expenditures, primarily related to wages and fringe benefits. General Fund transfers in increased as a previously established capital projects fund was rescinded in accordance with State Statute and the remaining balance was returned to the General Fund. In turn, the General Fund transferred those proceeds to the Building Capital Projects Fund to assist in funding the Stadium Turf and Lighting Project. The remaining activity of the General Fund was relatively consistent from the prior year, mitigating any further change in fund balance. The Schoolwide Pool Fund had $374,232 in revenues and $3,473,985 in expenditures. Overall, including other financing sources, the Schoolwide Pool Fund had no change in fund balance.

General Fund Budgeting Highlights

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

During the course of fiscal year 2023, the School District amended its General Fund appropriations, however the School District made no modifications to its estimated resources. The budgetary statement reflects both the original and final amounts. The final appropriations budget was amended to more closely reflect the actual results of operations. When taken together, the actual results of revenues and other financing sources were not significantly different than estimated.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the School District had $11,716,518 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, development in progress for software assets, intangible right to use software assets for digital curriculum, and intangible right to use (lease asset) equipment. See Note 9 for more detailed information of the School District's capital assets.

Debt

At June 30, 2023, the School District had $110,000 in outstanding bonds, of which $55,000 is due within one year; $1,100,000 in financed purchases, of which $139,100 is due within one year; and $113,911 in outstanding lease payable, of which $25,400 is due within one year. See Note 16 for more information on the School District's long-term obligations, which also includes compensated absences, the net pension liability, and the net OPEB liability.

Economic Factors

During fiscal year 2008, the Barnesville Exempted Village School District was released from fiscal emergency. The current five year forecast reflects that the School District will encounter deficit spending within the next five years; however, the School District's carryover balance is sufficient to ensure that the School District maintains a positive cash balance throughout the five year period.

In fiscal year 2009, the School District applied and was approved for a House Bill 264 energy conservation project through the Ohio School Facilities Commission. The project is intended to improve energy efficiency in the School District and the total project cost was $951,728 which included additional fees for the issuance of the bonds in the amount of $14,289. The School District chose to pay for $251,298 of the project with local funds and financed the remaining portion of $714,719, which included $700,430 in project funds and $14,289 in issuance costs and the School District issued $714,419 in debt via the 2009 Qualified School Construction Bond (QSCB) Program, on November 24, 2009.

The School District continues to rely heavily on State foundation funding.   New public utility personal property taxes received in recent years from the Rockies Express Pipeline will continue to help offset the any potential reductions in State funding, as well as ad valorem tax from gas and oil activity. The School District has not solicited voters to support a tax levy in order to generate additional revenue.

The ongoing COVID-19 pandemic continues to impact the operational and economic facets of the School District. See Note 23 for more information.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Adam Quirk, Treasurer/CFO at Barnesville Exempted Village School District, 210 W. Church Street, Barnesville, Ohio 43713.

Barnesville Exempted Village School District
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$10,944,790
Intergovernmental Receivable	500,893
Accounts Receivable	69,247
Prepaid Items	9,762
Materials and Supplies Inventory	32,547
Property Taxes Receivable	6,789,407
Net OPEB Asset	1,192,275
Non-Depreciable Capital Assets	720,953
Depreciable Capital Assets, Net	10,995,565
Total Assets	31,255,439
Deferred Outflows of Resources	
Pension	3,286,409
OPEB	450,872
Total Deferred Outflows of Resources	3,737,281
Liabilities	
Accounts Payable	51,648
Accrued Wages and Benefits Payable	1,025,503
Intergovernmental Payable	381,352
Accrued Interest Payable	594
Vacation Benefits Payable	185,661
Unearned Revenue	122,950
Claims Payable	330,718
Long-Term Liabilities:	
Due Within One Year	277,060
Due in More Than One Year:	
Net Pension Liability	13,366,748
Net OPEB Liability	826,919
Other Amounts	1,933,495
Total Liabilities	18,502,648
Deferred Inflows of Resources	
Property Taxes	5,909,475
Pension	1,403,684
OPEB	2,018,257
Total Deferred Inflows of Resources	9,331,416
Net Position	
Net Investment in Capital Assets	11,212,296
Restricted for:	
Capital Projects	326,161
Building Maintenance	179,869
Food Service Operations	451,319
State Programs	27,415
Local Programs	334,788
Student Activities Programs	81,011
OPEB Plans	247,083
Unrestricted (Deficit)	(5,701,286)
Total Net Position	$7,158,656

See accompanying notes to the basic financial statements

Barnesville Exempted Village School District
Statement of Activities
For the Fiscal Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	$7,924,477	$282,183	$795,596	$0	($6,846,698)
Special	2,561,431	0	863,357	0	(1,698,074)
Vocational	138,437	0	81,438	0	(56,999)
Student Intervention Services	24,808	0	12,592	0	(12,216)
Support Services:					
Pupil	1,405,269	0	118,282	0	(1,286,987)
Instructional Staff	820,156	0	24,677	0	(795,479)
Board of Education	107,488	0	0	0	(107,488)
Administration	863,044	0	19,008	0	(844,036)
Fiscal	481,063	0	0	0	(481,063)
Business	70,629	0	0	0	(70,629)
Operation and Maintenance of Plant	2,064,047	0	73,180	164,550	(1,826,317)
Pupil Transportation	852,478	0	0	0	(852,478)
Operation of Non-Instructional Services	2,202	0	757	0	(1,445)
Food Service Operations	760,871	174,491	457,266	0	(129,114)
Extracurricular Activities	645,363	385,516	0	0	(259,847)
Interest	9,789	0	0	0	(9,789)
Total Governmental Activities	$18,731,552	$842,190	$2,446,153	$164,550	(15,278,659)

General Revenues	
Property Taxes Levied for General Purposes	6,091,406
Property Taxes Levied for Capital Outlay	301,442
Property Taxes Levied for Building Maintenance	25,500
Grants and Entitlements not Restricted to Specific Programs	7,674,017
Gifts and Donations	149,626
Investment Earnings	184,485
Miscellaneous	152,623
Total General Revenues	14,579,099
Change in Net Position	(699,560)
Net Position Beginning of Year	7,858,216
Net Position End of Year	$7,158,656

See accompanying notes to the basic financial statements

Barnesville Exempted Village School District
Balance Sheet
Governmental Funds
June 30, 2023

	General	Schoolwide Pool	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$7,702,953	$0	$3,241,837	$10,944,790
Receivables:				
Property Taxes	6,473,243	0	316,164	6,789,407
Intergovernmental	131,565	0	369,328	500,893
Interfund	441,657	394,478	0	836,135
Prepaid Items	9,762	0	0	9,762
Materials and Supplies Inventory	20,996	0	11,551	32,547
Total Assets	$14,780,176	$394,478	$3,938,880	$19,113,534
Liabilities				
Accounts Payable	$31,527	$0	$20,121	$51,648
Accrued Wages and Benefits Payable	680,337	319,969	25,197	1,025,503
Interfund Payable	297,125	0	364,980	662,105
Intergovernmental Payable	298,799	74,509	8,044	381,352
Unearned Revenue	0	0	122,950	122,950
Total Liabilities	1,307,788	394,478	541,292	2,243,558
Deferred Inflows of Resources				
Property Taxes	5,641,303	0	268,172	5,909,475
Unavailable Revenue	445,170	0	17,172	462,342
Total Deferred Inflows of Resources	6,086,473	0	285,344	6,371,817
Fund Balances				
Nonspendable	30,758	0	11,551	42,309
Restricted	0	0	2,208,701	2,208,701
Committed	565,612	0	891,992	1,457,604
Assigned	569,621	0	0	569,621
Unassigned	6,219,924	0	0	6,219,924
Total Fund Balances	7,385,915	0	3,112,244	10,498,159
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$14,780,176	$394,478	$3,938,880	$19,113,534

See accompanying notes to the basic financial statements

Barnesville Exempted Village School District
Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
June 30, 2023

Total Governmental Fund Balances		$10,498,159
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.		11,716,518
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Tuition and Fees	131,565	
Delinquent Property Taxes	330,778	
Total		462,343
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position		(435,501)
Vacation Benefits Payable is recognized for earned vacation benefits that are not expected to be paid with expendable available financial resources and therefore are not reported in the funds.		(185,661)
Long-term liabilities and accrued interest payable are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	110,000	
Lease Payable	113,911	
Financed Purchase	1,100,000	
Compensated Absences	886,645	
Accrued Interest Payable	594	
Total		(2,211,150)
The net pension liability and the net OPEB asset/liability are not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:		
Net OPEB Asset	1,192,275	
Deferred Outflows - Pension	3,286,409	
Deferred Outflows - OPEB	450,872	
Net Pension Liability	(13,366,748)	
Net OPEB Liability	(826,919)	
Deferred Inflows - Pension	(1,403,684)	
Deferred Inflows - OPEB	(2,018,257)	
Total		(12,686,052)
Net Position of Governmental Activities		$7,158,656

See accompanying notes to the basic financial statements

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

	General	Schoolwide Pool	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	$5,991,914	$0	$325,158	$6,317,072
Intergovernmental	8,174,691	374,232	1,781,046	10,329,969
Interest	141,275	0	41,798	183,073
Tuition and Fees	198,765	0	0	198,765
Extracurricular Activities	62,439	0	323,077	385,516
Rent	14,400	0	0	14,400
Gifts and Donations	81,656	0	67,970	149,626
Charges for Services	13,250	0	174,491	187,741
Miscellaneous	47,594	0	105,029	152,623
Total Revenues	14,725,984	374,232	2,818,569	17,918,785
Expenditures				
Current:				
Instruction:				
Regular	4,341,228	2,482,862	567,551	7,391,641
Special	1,411,555	684,259	304,021	2,399,835
Vocational	118,024	0	0	118,024
Student Intervention Services	12,198	0	12,596	24,794
Support Services:				
Pupil	1,137,055	78,838	137,338	1,353,231
Instructional Staff	716,931	56,153	18,518	791,602
Board of Education	107,488	0	0	107,488
Administration	584,743	171,873	401	757,017
Fiscal	465,349	0	6,301	471,650
Business	70,004	0	0	70,004
Operation and Maintenance of Plant	1,835,676	0	231,205	2,066,881
Pupil Transportation	745,316	0	0	745,316
Operation of Non-Instructional Services	0	0	854	854
Food Service Operations	0	0	721,049	721,049
Extracurricular Activities	209,012	0	410,358	619,370
Capital Outlay	246,405	0	468,134	714,539
Debt Service:				
Principal Retirement	74,980	0	115,000	189,980
Interest	11,918	0	1,035	12,953
Issuance Costs	0	0	25,020	25,020
Total Expenditures	12,087,882	3,473,985	3,019,381	18,581,248
Excess of Revenues Over (Under) Expenditures	2,638,102	(3,099,753)	(200,812)	(662,463)
Other Financing Sources (Uses)				
Inception of Lease	137,500	0	0	137,500
Inception of Financed Purchase	0	0	1,100,000	1,100,000
Transfers In	307,104	3,099,753	385,615	3,792,472
Transfers Out	(3,420,858)	0	(371,614)	(3,792,472)
Total Other Financing Sources (Uses)	(2,976,254)	3,099,753	1,114,001	1,237,500
Net Change in Fund Balances	(338,152)	0	913,189	575,037
Fund Balances Beginning of Year	7,724,067	0	2,199,055	9,923,122
Fund Balances End of Year	$7,385,915	$0	$3,112,244	$10,498,159

See accompanying notes to the basic financial statements

Barnesville Exempted Village School District
Reconciliation of the Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds		$575,037
Amounts reported for governmental activities in the Statement of Activities are different because		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeed depreciation/amortization in the current period.		
Capital Asset Additions	931,990	
Current Year Depreciation/Amortization	(782,563)	
Total		149,427
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:		
Intergovernmental	(45,249)	
Delinquent Property Taxes	101,276	
Tuition and Fees	55,768	
Total		111,795
Issuance of debt is reported as other financing sources in the governmental funds, but the issuance increases long-term liabilities on the Statement of Net Position.		
Financed Purchase	(1,100,000)	
Lease Payable	(137,500)	
Total		(1,237,500)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
General Obligation Bonds	165,000	
Lease Payable	24,980	
Total		189,980
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the Statement of Activities, is reported in the Statement of Activities		840
The refunding difference is allocated as a reduction of expense in the Statement of Activities over the life of the bonds.		2,324
Some expenses reported in the Statement of Activities, such as compensated absences and vacation benefits payable do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Vacation Benefits Payable	(33,508)	
Compensated Absences Payable	(12,911)	
Total		(46,419)
The internal service fund used by management to charge the costs of insurance to individual funds is included in the statement of activities and not on the governmental fund statements. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net expenses of the internal service fund is allocated among governmental activities.		(483,566)
Contractually required contributions are reported as expenditures in the governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.		
Pension	1,198,215	
OPEB	46,960	
Total		1,245,175
Except for amounts reported as deferred inflows/outflows, changes in net pension/OPEB (asset)/liability are reported as pension/OPEB expense in the Statement of Activities.		
Pension	(1,455,798)	
OPEB	249,145	
Total		(1,206,653)
Changes in Net Position of Governmental Activities		($699,560)

See accompanying notes to the basic financial statements

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	$5,669,418	$5,669,418	$5,849,585	$180,167
Intergovernmental	8,500,000	8,500,000	8,174,691	(325,309)
Interest	166,723	166,723	166,723	0
Tuition and Fees	198,765	198,765	198,765	0
Rent	14,500	14,500	14,400	(100)
Gifts and Donations	22,500	22,500	22,300	(200)
Charges for Services	13,500	13,500	13,250	(250)
Miscellaneous	117,335	117,335	38,172	(79,163)
Total Revenues	14,702,741	14,702,741	14,477,886	(224,855)
Expenditures				
Current:				
Instruction:				
Regular	3,983,401	4,483,375	4,483,375	0
Special	1,344,985	1,469,067	1,519,067	(50,000)
Vocational	109,041	122,224	122,224	0
Student Intervention Services	11,000	12,198	12,198	0
Support Services:				
Pupil	973,640	1,052,594	1,052,594	0
Instructional Staff	677,528	836,714	836,714	0
Board of Education	109,665	146,135	146,135	0
Administration	539,972	659,388	659,388	0
Fiscal	449,307	499,074	499,074	0
Business	86,100	98,389	98,389	0
Operation and Maintenance of Plant	1,699,966	1,934,230	1,934,230	0
Pupil Transportation	719,405	1,042,168	1,042,168	0
Extracurricular Activities	183,580	210,596	210,596	0
Capital Outlay	211,500	446,390	446,390	0
Debt Service:				
Principal Retirement	50,000	50,000	50,000	0
Interest and Fiscal Charges	2,000	2,498	2,498	0
Total Expenditures	11,151,090	13,065,040	13,115,040	(50,000)
Excess of Revenues Over Expenditures	3,551,651	1,637,701	1,362,846	(274,855)
Other Financing Uses				
Transfers In	0	0	307,104	307,104
Transfers Out	(2,923,000)	(3,290,058)	(3,290,051)	7
Total Other Financing Uses	(2,923,000)	(3,290,058)	(2,982,947)	307,111
Net Change in Fund Balance	628,651	(1,652,357)	(1,620,101)	32,256
Fund Balance Beginning of Year - Restated (Note 3)	8,382,527	8,382,527	8,382,527	0
Prior Year Encumbrances Appropriated	574,090	574,090	574,090	0
Fund Balance End of Year	$9,585,268	$7,304,260	$7,336,516	$32,256

See accompanying notes to the basic financial statements

Barnesville Exempted Village School District

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Total Revenues	$0	$0	$0	$0
Expenditures				
Current:				
Instruction:				
Regular	2,381,274	2,530,427	2,525,983	4,444
Special	701,579	689,379	689,131	248
Support Services:				
Pupil	84,000	84,000	82,318	1,682
Instructional Staff	60,000	60,000	56,743	3,257
Administration	175,000	175,000	171,054	3,946
Total Expenditures	3,401,853	3,538,806	3,525,229	13,577
Excess of Revenues Under Expenditures	(3,401,853)	(3,538,806)	(3,525,229)	13,577
Other Financing Sources				
Transfers In	3,500,000	3,636,553	3,167,405	(469,148)
Net Change in Fund Balance	98,147	97,747	(357,824)	(455,571)
Fund Balance (Deficit) Beginning of Year	(26,544)	(26,544)	(26,544)	0
Prior Year Encumbrances Appropriated	1,853	1,853	1,853	0
Fund Balance (Deficit) End of Year	$73,456	$73,056	($382,515)	($455,571)

See accompanying notes to the basic financial statements

Barnesville Exempted Village School District

Statement of Fund Net Position

Proprietary Fund

June 30, 2023

	Governmental Activity
	Internal Service Fund
Current Assets	
Accounts Receivable	$69,247
Current Liabilities	
Interfund Payable	174,030
Claims Payable	330,718
Total Current Liabilities	$504,748
Net Position (Deficit)	
Unrestricted	(435,501)
Total Net Position (Deficit)	($435,501)

See accompanying notes to the basic financial statements

Barnesville Exempted Village School District

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Fund

For the Fiscal Year Ended June 30, 2023

	Governmental Activity Internal Service Fund
Operating Revenues	
Charges for Services	$2,770,838
Other Revenues	104,150
Total Operating Revenues	2,874,988
Operating Expenses	
Purchased Services	784,885
Claims	2,575,081
Total Operating Expenses	3,359,966
Operating Loss	(484,978)
Non-Operating Revenues	
Interest	1,412
Change in Net Position	(483,566)
Net Position Beginning of Year	48,065
Net Position (Deficit) End of Year	($435,501)

See accompanying notes to the basic financial statements

Barnesville Exempted Village School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2023

	Governmental Activity
	Internal Service Fund
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	$2,770,838
Cash Payments for Services	(784,885)
Cash Payments for Claims	(3,026,926)
Cash Received from Other Operating Revenues	793,382
Net Cash Used for Operating Activities	(247,591)
Cash Flows from Noncapital Financing Activities	
Cash Received from Interfund Loans	174,030
Cash Flows from Investing Activities	
Interest	1,412
Net Change in Cash and Cash Equivalents	(72,149)
Cash and Cash Equivalents Beginning of Year	72,149
Cash and Cash Equivalents End of Year	$0
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	($484,978)
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	212,700
Increase in Claims Payable	24,687
Net Cash Used for Operating Activities	($247,591)

See accompanying notes to the basic financial statements

Barnesville Exempted Village School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Private Purpose Trust Fund
Assets	
Equity in Pooled Cash and Cash Equivalents	$6,583
Net Position	
Held in Trust for Scholarships	$6,583
Total Net Position	$6,583

See accompanying notes to the basic financial statements

Barnesville Exempted Village School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2023

	Private Purpose Trust Fund
Additions	
Interest	$137
Deductions	
Payments in Accordance with Trust Agreements	1,000
Change in Net Position	(863)
Net Position Beginning of Year	7,446
Net Position End of Year	$6,583

See accompanying notes to the basic financial statements

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NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Barnesville Exempted Village School District (the "School District") operates under a locally-elected Board form of government and provides educational services as authorized by state statute and federal guidelines. The Board controls the School District's 3 instructional/support facilities staffed by 55 non-certified employees, 85 certificated personnel and 7 administrative employees providing services to 1,400 students.

The School District was established in 1855 as the Barnesville Public Schools, with the first high school being established in 1878. In 1957, the Barnesville Exempted Village School District combined the former Warren Township Rural Local School District, the Somerset Township Rural Local School District, the Kirkwood Township Rural Local School District and portions of the Wayne Township Rural School District. The School District is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. There is no authority for a school district to have a charter or adopt local laws. The legislative power of the School District is vested in the Board of Education, consisting of five members elected at-large for staggered four year terms.

The School District serves an area of approximately 126 square miles. It is located in Belmont County, including all of the Village of Barnesville, Warren Township, Somerset Township and Kirkwood Township, along with portions of Wayne Township, Flushing Township and Goshen Township.

Reporting Entity:

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

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

The following activity is included within the reporting entity:

> *Private Schools* - Within the School District boundaries, Olney Friends School is operated as private schools. Current State legislation provides funding to these schools. These monies are received and disbursed on behalf of the schools by the Treasurer of the School District, as directed by the schools. These State monies are reflected in a Special Revenue fund for financial reporting purposes.

The School District is involved with seven organizations, three of which are defined as jointly governed organizations, two insurance purchasing pools, one risk-sharing, claims servicing, and insurance purchasing pool, and one related organization. These organizations are the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council), the Coalition of Rural and Appalachian Schools (CORAS), the Belmont-Harrison Vocational School District, the Ohio School Plan (OSP), the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), the Jefferson Health Plan Self-Insurance Plan, and the Barnesville Hutton Memorial Library. These organizations are presented in Notes 17, 18, and 19 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-wide Financial Statements The Statement of Net Position and the Statement of activities display information about the School District as a whole. These statements include the financial activities of the stand-alone government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts, or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The Statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department, and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants, contributions, and interest 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 School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

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

Fund Accounting

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

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

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

Schoolwide Pool Fund - The Schoolwide Pool Fund is used to account for all financial resources required to operate the elementary school. The No Child Left Behind Act of 2001 provided the authority to pool all federal, state, and local funds necessary to upgrade the instructional program of school buildings where forty percent or greater of the student are from low-income families. The fund is utilized to pay all costs associated with operating the elementary school.

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

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service. The School District has no enterprise funds.

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. The School District has a private purpose trust fund which accounts for various college scholarships for students. Custodial Funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District's custodial funds are used to account for assets held by the School District as fiscal agent for locally hosted Ohio High School Athletic Association tournament events. The School District has no fiduciary funds. However, there was no activity in the custodial fund during 2023.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Fund Net Position.

For proprietary funds, the Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a Statement of Changes in Fiduciary Net Position which reports additions to and deductions from private purpose trust funds.

Basis of Accounting

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes and grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. See Note 6. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The School District recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide Statement of Net Position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and governmental fund financial statements. Unavailable revenue is reported only on the governmental fund's Balance Sheet and represents receivables that will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, and tuition and fees. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position. (See Notes 11 and 12)

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

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

Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as “equity in pooled cash and cash equivalents.” The School District utilizes a self-insurance third party administrator to review and pay claims. Money held by the administrator is presented as "cash and cash equivalents with fiscal agents".

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

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

In addition to the investment in STAR Ohio, the School District had additional investments, which were limited to money market mutual funds, negotiable certificates of deposit, United States Agency securities, and United States Treasury Notes. The money market mutual fund is measured at net asset value per share, and the remaining investments are reported at fair value.

Following Ohio statutes, the Board of Education has, by resolution, specify the funds to receive an allocation of interest earnings. Investment Earnings/Interest revenue credited to the general fund during 2023 amounted to $141,275, of which $41,846 was assigned from other School District funds.

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

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 externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the 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 expendable supplies held for consumption and purchased and donated food held for resale.

Capital Assets

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

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

Description	Estimated Lives
Land	N/A
Land Improvements	20 Years
Buildings and Improvements	5-50 Years
Furniture and Equipment	5-20 Years
Vehicles	5-20 Years
Intangible Right to Use	5-20 Years

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

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated on the Statement of Net Position.

Compensated Absences

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

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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

On the governmental fund financial statements, sick leave benefits are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured severance payable" in the fund from which the employee will be paid.

Pensions/Other Postemployment Benefits (OPEB)

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

Leases Payable

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Unamortized Bond Insurance Premiums, Bond Discounts, Bond Premiums, and Bond Issuance Costs

On the government-wide financial statements, bond insurance premiums, bond premiums and bond discounts are amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. On the governmental fund financial statements bond insurance premiums, bond premiums, bond discounts and bond issuance costs are recognized in the period in which the bonds are issued. Bond issuance costs are expensed in in the funds in the period the bonds are issued.

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

Internal Activity

Transfers within government activities on the government-wide statements are reported in the same manner as general revenue.

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

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

Fund Balance

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

> ***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. It also includes the long-term amount of loans and notes receivable, prepaid items, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by State constitution or external resource providers. Fund balance is reported as restricted when constraints/ placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education or a School District official delegated that authority by resolution or State statute. State statute authorizes the School District's Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned The unassigned fund balance is the residual classification for the General Fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report deficit balances.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which the amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restricted Net Position for OPEB plans represents the corresponding restricted asset amounts after considering the related deferred outflows and deferred inflows.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for adult education programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. Revenues and expenses not meeting this definition are reported as non-operating.

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.

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. For reporting purposes, various custodial funds, utilized for internal control purposes, have been combined with the General Fund and the special revenue fund. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer maintains budgetary information at the function and object level and has the authority to allocate appropriations to the function and object level.

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

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

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF BUDGET BASIS FUND BALANCE

Changes in Accounting Principle

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

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

GASB Statement 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs).

The School District did not have any arrangements that met the GASB 94 definition of a PPP or an APA.

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

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

Restatement of Budget Basis Fund Balance

The School District restated its General Fund budget basis fund balance to reflect the legally adopted budget of the General Fund, excluding funds that are maintained as special revenue funds for accounting purposes do not otherwise meet the criteria for separate reporting in external financial statements. The restatement had the following effect on budgetary fund balance:

	General
Budget Basis Fund Balance at June 30, 2022	$8,450,695
Restatement	(68,168)
Restated Budget Basis Fund Balance at June 30, 2022	$8,382,527

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP basis) and Actual – for the General Fund and the Schoolwide Pool Special Revenue Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

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

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

3. Encumbrances are treated as expenditures (budget basis) rather than as a restricted, committed or unassigned of fund balance (GAAP basis).

4. Transfers in and transfers out that are balance sheet transactions (GAAP basis) as opposed to operating transactions (budget basis), as well as the reclassification of revenue that is required to be transferred on a cash (budget basis), but is reported as revenue on the operating statement (GAAP basis).

5. Unrecorded interest is reported on the balance sheet (GAAP basis), but not on the budgetary basis.

6. The investment market value adjustment is the amount recorded to bring investments to market value on the balance sheet (GAAP basis) that is not recorded on the budgetary basis.

7. The perspective difference represents the net change in fund balance (budget basis) for funds that are maintained as special revenue funds for accounting purposes, but do not otherwise meet the criteria for separate reporting in external financial statements and included with the General Fund on a GAAP basis.

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund and Schoolwide Pool Fund:

Net Change in Fund Balance

	General	Schoolwide Pool
GAAP Basis	($338,152)	$0
Revenue Accruals	179,298	(374,232)
Expenditure Accruals	12,650	(50,771)
Unreported Interest	7,838	0
GASB 31 Adjustment - Beginning	(143,231)	0
GASB 31 Adjustment - Ending	(194,901)	0
Transfers In	0	67,652
Transfers Out	130,807	0
Perspective Difference	(113,868)	0
Encumbrances	(1,160,542)	(473)
Budget Basis	($1,620,101)	($357,824)

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

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

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

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

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

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

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

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

At June 30, 2023, the School District's internal service fund had a negative balance of $174,030 with Jefferson Health Plan Self-Insurance Plan, a risk-sharing, claims servicing, and insurance purchasing pool (See Note 18). The balance is held by the claims administrator in a pooled account which is representative of numerous entities and therefore cannot be included in the risk disclosures reported by the School District. Disclosures for the Jefferson Health Plan Self-Insurance Plan as a whole may be obtained from the Plan's fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Jefferson Health Plan Self-Insurance Plan, Treasurer, Jefferson County ESC, Steubenville, Ohio 43952.

Investments

Investments are reported at fair value. As of June 30, 2023, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Rating	Percent of Total Investments
Net Asset Value Per Share:				
STAR Ohio	$2,509,186	38.5 Days	AAAm(*)	33.55%
Money Market Mutual Fund	12,919	N/A	N/A	0.17%
Total Net Asset Value Per Share	2,522,105			
Fair Value - Level Two Inputs:				
Negotiable Certificates of Deposit	310,983	Less than one year	N/A	4.16%
Negotiable Certificates of Deposit	117,298	Less than three years	N/A	1.57%
U S Agency Securities	99,472	Less than one year	AA+(*)	1.33%
U S Agency Securities	1,731,643	Less than three years	AA+(*)	23.16%
U S Agency Securities	424,681	Less than five years	AA+(*)	5.68%
U S Treasury Notes	568,083	Less than one year	AA+(*)	7.60%
U S Treasury Notes	923,282	Less than three years	AA+(*)	12.35%
U S Treasury Notes	780,292	Less than five years	AA+(*)	10.43%
Total Fair Value - Level Two Inputs	4,955,734			
Total Investments	$7,477,839			100.00%

(*) Rating obtained from Standard & Poor's

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2023. The School District's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Interest Rate Risk The School District's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years, and allows for the withdrawal of funds from approved public depositories or sale of negotiable instruments prior to maturity.

State Statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk The credit ratings for the School District's securities are listed above. STAR Ohio carries a rating of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk The School District places no limit on the amount it may invest in any one issuer. The percentage of total investments is listed in the table above.

NOTE 6 - PROPERTY TAXES

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

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

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

The School District receives property taxes from Belmont County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2022 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

The amount available as an advance at June 30, 2023 was $518,335 in the General Fund, and $30,820 in the Permanent Improvement Fund. The amount available as an advance at June 30, 2022 was $376,006 in the General Fund, $21,710 in the Permanent Improvement Fund and $5,208 in the Classroom Facilities Maintenance Special Revenue Fund.

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

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

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	$198,714,620	82.63%	$197,409,810	77.79%
Public Utility Personal	41,784,520	17.37%	56,365,910	22.21%
	$240,499,140	100.00%	$253,775,720	100.00%
Tax Rate per $1,000 of assessed valuation		$39.50		$39.00

The decrease in tax rate is due to the conclusion of a bond retirement levy.

NOTE 7 - RECEIVABLES

Receivables at June 20, 2023, consisted primarily of property taxes, payments in lieu of taxes, intergovernmental receivables arising from entitlements and shared revenues, accrued interest on investments, and accounts (billings for service).

All receivables, except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. A summary of the principal items of intergovernmental receivables follows:

	Amounts
ARP Homeless Round II	$187
ESSER II	562
ARP ESSER III	266,878
Title I-A Improving Basic Programs Grant	85,446
Title II-A Supporting Effective Instruction	11,907
Title IV-A Student Support Services	4,348
Excess Costs from Other Districts	131,565
Total	$500,893

NOTE 8 - INTERNAL BALANCES AND TRANSFERS

Interfund Balances

Interfund balances at June 30, 2023, consist of the following interfund receivables and payables:

	Interfund Receivable		
Interfund Payable	General	Schoolwide Pool	Totals
General	$0	$297,125	$297,125
Other Governmental	267,627	97,353	364,980
Self-Insurance Health Internal Service	174,030	0	174,030
Totals	$441,657	$394,478	$836,135

The loans made to Other Governmental Funds were used to cover an actual cash deficit in the Elementary and Secondary School Emergency Relief Funds (ESSER) Special Revenue Fund to support the programs until the grant monies are received.

The loans made to the Self-Insurance Health Internal Service Fund were to cover an actual cash deficit as charges to the participating funds for health insurance premiums were not sufficient to offset the costs of self-insurance program claims and other costs.

The balance due to the Schoolwide Pool Fund from the General Fund and Other Governmental Funds are for costs associated with the operation of the elementary school in accordance with the schoolwide program that will be transferred as cash is needed to fund the program.

Transfers

Interfund transfers for the fiscal year ended June 30, 2023 consisted of the following:

	Transfers In			
Transfers Out	General Fund	Schoolwide Pool Fund	Other Governmental Funds	Total
General Fund	$0	$3,099,753	$321,105	$3,420,858
Other Governmental Funds	307,104	0	64,510	371,614
Totals	$307,104	$3,099,753	$385,615	$3,792,472

During fiscal year 2023, the School District rescinded a capital projects fund in accordance with State Statute and the remaining fund balance was returned to the General Fund. The General Fund, then transferred the proceeds from the former capital projects fund, as well as other General Fund resources to the Building Fund, to provide additional funding for the Stadium Turf and Lighting Project.

During fiscal year 2023, the School District retired the 2016 School Improvement Refunding Bonds, and the remaining balance in the Debt Service Fund was transferred the Permanent Improvement Fund.

Transfers were also used to move receipts from the General Fund to the Schoolwide Pool Fund in accordance with the schoolwide building program.

NOTE 9 - CAPITAL ASSETS

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

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
Governmental Activities				
Nondepreciable Capital Assets				
Land	$334,090	$0	$0	$334,090
Construction in Process	0	276,703	0	276,703
Development in Progress	0	110,160	0	110,160
Total Nondepreciable Capital Assets	334,090	386,863	0	720,953
Depreciable Capital Assets				
Tangible Assets				
Land Improvements	1,710,458	105,000	0	1,815,458
Buildings and Improvements	27,397,176	164,500	0	27,561,676
Furniture and Equipment	1,383,683	129,939	0	1,513,622
Vehicles	1,521,117	8,188	0	1,529,305
Total Tangible Assets	32,012,434	407,627	0	32,420,061
Intangible Right to Use				
Lease Assets				
Intangible Right to Use - Equipment	12,834	137,500	(12,834)	137,500
Total Depreciable Capital Assets	32,025,268	545,127	(12,834)	32,557,561
Less Accumulated Depreciation/Amortization				
Depreciation				
Land	(1,228,199)	(54,116)	0	(1,282,315)
Buildings and Improvements	(18,086,692)	(583,369)	0	(18,670,061)
Furniture and Equipment	(732,049)	(63,408)	0	(795,457)
Vehicles	(732,493)	(54,170)	0	(786,663)
Total Depreciation	(20,779,433)	(755,063)	0	(21,534,496)
Amortization				
Intangible Right to Use				
Lease Assets				
Intangible Right to Use - Equipment	(12,834)	(27,500)	12,834	(27,500)
Total Accumulated Depreciation/Amortization	(20,792,267)	(782,563)	12,834	(21,561,996)
Total Depreciable Capital Assets, Net	11,233,001	(237,436)	0	10,995,565
Governmental Capital Assets, Net	$11,567,091	$149,427	$0	$11,716,518

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

	Depreciation	Amortization	Total
Instruction:			
Regular	$324,011	$0	$324,011
Special	47,275	0	47,275
Vocational	15,352	0	15,352
Support Services:			0
Pupils	33,435	0	33,435
Instructional Staff	22,057	0	22,057
Administration	46,055	0	46,055
Fiscal	15,352	0	15,352
Business	625	0	625
Operation of Maintenance and Plant	97,300	27,500	124,800
Pupil Transportation	92,457	0	92,457
Extracurricular	22,782	0	22,782
Food Service Operations	38,362	0	38,362
Total Depreciation Expense	$755,063	$27,500	$782,563

NOTE 10 - RISK MANAGEMENT

Property, Fleet, and Liability Insurance

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023 the School District joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP (See Note 18). The School District contracted with the Ohio School Plan for liability, property, and fleet insurance. The type and amount of coverage provided by Ohio School Plan follows:

Building and Contents-replacement cost ($1,000 deductible)	$70,291,919
Automotive Liability ($500 deductible)	5,000,000
Uninsured Motorist ($500 deductible)	1,000,000
Medical Payments Limit	5,000
General Liability:	
Each Occurrence	5,000,000
Aggregated Limit	7,000,000
Rented Property Limit	250,000
Medical Payments Limit	10,000
Employee Benefits Liability:	
Each Occurrence ($1,000 deductible)	5,000,000
Aggregated Limit	7,000,000
Employer's Liability:	
Each Occurrence	5,000,000
Disease - Each Employee	5,000,000
Disease - Limit	5,000,000
Legal Liability - Errors and Omission:	
Each Wrongful Act	5,000,000
Aggregate Limit	7,000,000
Sexual Misconduct Liability:	
Each Loss	5,000,000
Aggregate Limit	7,000,000

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

Workers' Compensation

For fiscal year 2023, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Paramount Preferred Solutions provides administrative, cost control and actuarial services to the GRP.

Employee Benefits

Medical/surgical and prescription drug are offered to employees through a self-insurance internal service fund. The School District is a member of the Jefferson Health Plan Self-Insurance Plan, a risk-sharing, claims servicing, and insurance purchasing pool, consisting of over one hundred members, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. The medical/surgical coverage is based on a usual, customary, and reasonable claim plan. The monthly premium for this coverage is $902.54 for a single plan and $2,243.66 for a family plan. The Board pays 88 percent of the premiums. The premium is paid from the fund that pays the salary of the covered employee.

The claims liability of $330,718 reported in the internal service fund at June 30, 2023 is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in claims activity follows:

Program	Beginning Balance	Current Year Claims		Claims Payments		Ending Balance
2022	$200,393	$2,494,197		$2,388,559		$306,031
2023	306,031	2,644,328	(1)	2,619,641	(2)	330,718
(1) Claims Expense		$2,575,081				
+ Stop Loss Receivable		69,247				
= Current Year Claims		$2,644,328				
(2) Cash Payments for Claims				$3,026,926		
- Stop Loss Received for 2023 Claims				407,285		
= Claims Payments				$2,619,641		

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability (Assets)

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the fiscal year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

The School District's contractually required contribution to SERS was $341,420 for fiscal year 2023. Of this amount $81,676 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries.

STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

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

The DB plan offers an annual retirement allowance based on the final average salary multiplied by a percentage that varies based on years of service.

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

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

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

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

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit.

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

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

The School District's contractually required contribution to STRS was $856,795 for fiscal year 2023. Of this amount $90,785 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.05788260%	0.046045650%	
Prior Measurement Date	0.06195770%	0.046561908%	
Change in Proportionate Share	-0.00407510%	-0.000516258%	
Proportionate Share of the Net Pension Liability	$3,130,741	$10,236,007	$13,366,748
Pension Expense	$236,307	$1,219,491	$1,455,798

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$126,797	$131,034	$257,831
Changes of assumptions	30,892	1,224,942	1,255,834
Net difference between projected and actual earnings on pension plan investments	0	356,191	356,191
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	78,975	139,363	218,338
School District contributions subsequent to the measurement date	341,420	856,795	1,198,215
Total Deferred Outflows of Resources	$578,084	$2,708,325	$3,286,409
Deferred Inflows of Resources			
Differences between expected and actual experience	$20,552	$39,156	$59,708
Changes of assumptions	0	922,029	$922,029
Net difference between projected and actual earnings on pension plan investments	109,249	0	109,249
Changes in proportionate share and Difference between School District contributions and proportionate share of contributions	152,105	160,593	312,698
Total Deferred Inflows of Resources	$281,906	$1,121,778	$1,403,684

$1,198,215 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$14,711	$67,198	$81,909
2025	(85,441)	(42,161)	(127,602)
2026	(156,065)	(333,382)	(489,447)
2027	181,553	1,038,097	1,219,650
Total	($45,242)	$729,752	$684,510

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

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

Discount Rate The total pension liability for 2022 was calculated using the discount rate of 7.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute.

Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$4,608,302	$3,130,741	$1,885,917

Actuarial Assumptions – STRS

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

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

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

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$15,462,879	$10,236,007	$5,815,690

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2023, three Board Members have elected Social Security. The contribution rate is 6.2 percent of wages.

NOTE 12 - DEFINED BENEFIT OPEB PLANS

See note 11 for a description of the net OPEB liability (asset)

Plan Description - School Employees Retirement System (SERS)

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

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. 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 healthcare benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the School District's surcharge obligation was $46,960.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was $46,960 for fiscal year 2023. Of this amount $46,960 is reported as an intergovernmental payable.

Plan Description – State Teachers Retirement System (STRS)

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

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

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.05889690%	0.046045650%	
Prior Measurement Date	0.06283710%	0.046561908%	
Change in Proportionate Share	-0.00394020%	-0.000516258%	
Proportionate Share of the:			
Net OPEB Liability	$826,919	$0	$826,919
Net OPEB (Asset)	$0	($1,192,275)	($1,192,275)
OPEB Expense	($22,226)	($226,919)	($249,145)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$6,952	$17,283	$24,235
Changes of assumptions	131,532	50,787	182,319
Net difference between projected and actual earnings on OPEB plan investments	4,298	20,755	25,053
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	166,956	5,349	172,305
School District contributions subsequent to the measurement date	46,960	0	46,960
Total Deferred Outflows of Resources	$356,698	$94,174	$450,872
Deferred Inflows of Resources			
Differences between expected and actual experience	$528,958	$179,056	$708,014
Changes of assumptions	339,456	845,438	1,184,894
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	110,477	14,872	125,349
Total Deferred Inflows of Resources	$978,891	$1,039,366	$2,018,257

$46,960 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	($132,049)	($285,520)	($417,569)
2025	(134,517)	(269,807)	(404,324)
2026	(125,596)	(126,285)	(251,881)
2027	(82,930)	(52,953)	(135,883)
2028	(64,530)	(69,620)	(134,150)
Thereafter	(129,531)	(141,007)	(270,538)
Total	($669,153)	($945,192)	($1,614,345)

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

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

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

Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

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

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

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

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

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
School District's proportionate share of the net OPEB liability	$1,027,045	$826,919	$665,362

	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	$637,703	$826,919	$1,074,065

Actuarial Assumptions – STRS

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

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

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

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

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

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

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	($1,102,227)	($1,192,275)	($1,269,409)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	($1,236,679)	($1,192,275)	($1,136,226)

NOTE 13 - OTHER EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees who work 260 days per year earn ten to twenty-five days of vacation per fiscal year, depending upon length of service. Current policy permits vacation leave to be accumulated up to one year. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and administrators, who work less than 260 days, do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 300 days for all employees. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 75 days.

Other Insurance Benefits

The School District provides dental coverage from Coresource. The Board pays 88 percent of the premiums for all certified staff and for the full-time classified staff, administrative employees and central office staff. The total monthly cost of premiums for dental coverage is $41.29 for a single plan and $95.19 for a family plan. The School District provides vision coverage from the VSP. The Board pays 88 percent of the premiums for all certified staff and for the full-time classified staff, administrative employees and central office staff.. The total monthly cost of premiums for vision coverage is $6.97 for a single plan and $15.77 for a family plan. Life and accidental death and dismemberment insurance is provided through Grady in the amount of $30,000 per employee at a total monthly premium of $2.85, of which the Board pays 100 percent.

NOTE 14 - FUND BALANCES

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

	General	Schoolwide Pool	Other Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable:				
Materials and Supplies Inventories	$20,996	$0	$11,551	$32,547
Prepaid Items	9,762	0	0	9,762
Total Nonspendable	30,758	0	11,551	42,309
Restricted for:				
Capital Outlay	0	0	1,145,850	1,145,850
Debt Service	0	0	0	0
Food Service	0	0	439,768	439,768
Local Programs	0	0	334,788	334,788
Building Maintenance	0	0	179,869	179,869
State Programs	0	0	27,415	27,415
Student Activities	0	0	81,011	81,011
Total Restricted	0	0	2,208,701	2,208,701
Committed to Capital Outlay	565,612	0	891,992	1,457,604
Assigned to Purchases on Order	569,621	0	0	569,621
Unassigned	6,219,924	0	0	6,219,924
Total Fund Balances	$7,385,915	$0	$3,112,244	$10,498,159

NOTE 15 - COMMITMENTS

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were $1,160,542 in the General Fund, and $2,237,749 in the Other Nonmajor Governmental Funds.

Construction Commitments

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

Project	Contract Amount	Amount Completed as of 6/30/2023	Amount Remaining on Contract
Stadium Turf and Lighting Project	$1,920,018	$255,290	$1,664,728

The Stadium Turf and Lighting Project is being paid from the Building Fund with the proceeds of a financed purchase agreement, which is addressed in Note 16.

NOTE 16 - LONG - TERM OBLIGATIONS

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

	Amounts Outstanding 6/30/2022	Additions	Deductions	Amounts Outstanding 6/30/2023	Amounts Due Within One Year
Governmental Activities					
General Obligation Bonds:					
2009 School Energy Conservation Improvement Bonds $714,719 Serial Bonds @ 1.85%	$160,000	$0	$50,000	$110,000	$55,000
Direct Borrowings and Direct Placements:					
2016 School Improvement Refunding Bonds $425,000 Serial Bonds @ 1.35% - 1.8%	115,000	0	115,000	0	0
Total General Obligation Bonds	275,000	0	165,000	110,000	55,000
Financed Purchases from Direct Borrowing	0	1,100,000	0	1,100,000	139,100
Leases	1,391	137,500	24,980	113,911	25,400
Net Pension Liability:					
SERS	2,286,060	844,681	0	3,130,741	0
STRS	5,953,357	4,282,650	0	10,236,007	0
Total Net Pension Liability	8,239,417	5,127,331	0	13,366,748	0
SERS Net OPEB Liability	1,189,242	0	362,323	826,919	0
Compensated Absences	873,733	121,963	109,051	886,645	57,560
Total Governmental Long-Term Obligations	$10,578,783	$6,486,794	$661,354	$16,404,223	$277,060

2009 School Energy Conservation Improvement Qualified School Construction Bonds - On November 4, 2009, Barnesville Exempted Village School District issued $714,719 of general obligation bonds, in accordance with the American Recovery and Reinvestment Act (ARRA) of 2009 and House Bill 264. The bonds were issued to finance an energy conservation project. The bonds were issued at a 1.85% interest rate, for a period of fifteen years with a final maturity at September 15, 2024.

Principal and interest requirements to retire the remaining outstanding qualified school construction bonds for the 2009 School Energy Conservation Improvement Bonds outstanding at June 30, 2023 are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2024	$55,000	$1,526	$56,526
2025	55,000	509	55,509
Total	$110,000	$2,035	$112,035

2016 School Improvement Refunding General Obligation Bonds – On September 13, 2016, Barnesville Exempted Village School District issued $425,000 of general obligation serial bonds. The bonds were issued to partially refund the 2007 School Improvement Refunding Bonds, as well as pay the cost of issuance of these bonds. The $425,000 of the 2016 bond issue, along with $695,750 of current School District resources (accumulated resources of the debt service fund), were used to refund $1,075,000 of Term Bonds.

These refunded Term Bonds were called and fully repaid on December 1, 2016. The 2016 School Improvement Bonds were issued for a 7 year period with final maturity at December 1, 2022. The issue resulted in a refunding difference of that is reported as a deferred inflow on the Statement of Net Position and amortized annually through maturity. For fiscal year 2023 the remaining deferred charge on refunding in the amount of $2,326 was amortized. The 2016 Bonds were fully retired during fiscal year 2023.

Financed Purchase from Direct Borrowing

During fiscal year 2023, the School District entered into a financed purchase agreement as a direct borrowing with Belmont Savings Bank (the Bank) for the improvements to and purchase of school facilities in the amount of $1,100,000 to be paid from the Project Debt Fund. This agreement includes an interest rate of 3.9995 percent.

This financed purchase from direct borrowing agreement contains provisions in the event of a default. Upon the occurrence of an event of default, and as long as the event of default is continuing, the Bank may, at its option, exercise any one or more of the following remedies:

(i) Upon 60 days' prior written notice to the School District, terminate the agreement and direct the School District to (and the School District agrees that it will), at the School District's expense, promptly return possession of the financed purchase property to the Bank, or, as to the School District's personal property included in the project facilities, and at the Bank's option, enter upon the financed purchase property and take immediate possession of and remove any or all of such personal property;

(ii) Upon 60 days' prior written notice to the School District, sell or lease the Bank's interest in the financed purchase property or sublease the financed purchase property for the account of the School District pursuant to the terms of the agreement, holding the School District liable for all applicable rental payments and additional payments due during the then-current fiscal year to the effective date of such sale, lease or sublease and for the difference between the purchase price, rental and other amounts paid by the purchaser, School District or sublessee pursuant to such sale, lease or sublease and the amounts payable during the then-current fiscal year by the School District under the agreement;

(iii) Demand from the School District an accounting of the Project Fund and the return of all sums remaining in the Project Fund to Bank, and request the School District to assign all right, title and interest in the contracts to Bank, upon which the School District will comply with such demands and requests; and

(iv) Exercise any other right, remedy or privilege that may be available to it under the applicable laws of the State or any other applicable law or proceed by appropriate court action to enforce the terms of the agreement or to recover damages for the breach of the agreement or to rescind the agreement as to the financed purchase property.

Principal and interest requirements to retire this financed purchase are as follows:

Fiscal Year	Principal	Interest
2023	$139,100	$23,589
2024	144,900	38,436
2025	150,700	32,640
2026	156,700	26,612
2027	162,900	20,344
2028-2029	345,700	20,876
	$1,100,000	$162,497

At June 30, 2023, $819,689 of the proceeds of the financed purchase remain unspent.

Leases – The School District has entered into various non-cancellable agreements to lease copier equipment. The future lease payments were discounted based on the interest rate implicit in the lease. These discounts are being amortized using the interest method over the life of the lease.

The previously existing copier lease was originally entered into for a 60-month period and included both a minimum monthly cost of $2,750 and variable charges based on use. The lease term ended in August of 2022. During fiscal year 2023, the School District entered into a new lease for a 60-month period and included both a minimum monthly cost of $2,750 and variable charges based on use. The lease term ends in July of 2027.

Lease payments are made from the General Fund. Future minimum lease payments through fiscal year 2023 are as follows:

Fiscal Year	Principal	Interest
2024	$25,400	$7,600
2025	27,350	5,650
2026	29,450	3,550
2027	31,711	1,289
Total	$113,911	$18,089

The School District's overall legal debt margin was $22,729,815 with an unvoted debt margin of $253,776 at June 30, 2023.

Compensated absences will be paid from the General Fund.

There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the following funds: General, Schoolwide Pool Special Revenue, and Other Non-Major Governmental funds. For additional information related to the net pension/OPEB liability see Notes 11 and 12.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council) - The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments. The Council was created as a separate regional council of governments pursuant to State Statutes. The Council operates under the direction of a Board comprised of a representative from each participating school district. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each participants control is limited to its representation on the Board. The Council provides information technology and internet access to member districts, as well as cooperative purchasing programs. During fiscal year 2023, the total amount paid to OME-RESA from the School District was $52,278 for technology services, financial accounting services and educational management information. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency, Treasurer, at 2023 Sunset Blvd., Steubenville, Ohio 43952.

Coalition of Rural and Appalachian Schools (CORAS) - The Coalition of Rural and Appalachian Schools is a jointly governed organization including 136 school districts in southeastern Ohio. The Coalition is operated by a Board which is comprised of fourteen members. The board members are comprised of one superintendent from each county elected by the school districts within that county. The Council provides various in-service for school district administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Board exercises total control over the operations of the Coalition including budgeting, appropriating, contracting, and designating management. Each participants control is limited to its representation on the Board. The School District's membership fee was $325 for fiscal year 2023.

Belmont-Harrison Vocational School District - The Belmont-Harrison Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating school districts' elected boards. The Board exercises total control over the operations of the District including budgeting, appropriating, contracting, and designating management. Each participants control is limited to its representation on the Board. To obtain financial information write to the Belmont-Harrison Vocational School, Mark Lucas, who serves as Treasurer, at 68090 Hammond Road, St. Clairsville, Ohio 43950.

NOTE 18 - PUBLIC ENTITY POOLS

Insurance Purchasing Pool

Ohio School Plan (OSP) - The School District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The Ohio School Plan (OSP) is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of Directors consisting of school district superintendents and treasurers, as well as the president of Hylant Administrative Services and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Hylant Administrative Service is the sales and marketing representative, which establishes agreements between OSP and member schools.

Ohio School Boards Association Workers' Compensation Group Rating Program (GRP) - The School District participates in the Ohio School Boards Association Workers' Compensation Program, an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association (OSBA). The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program. The School District's enrollment fee of $300 for policy year 2023 was paid to Minutemen.

Risk Sharing, Claims Servicing, and Insurance Purchasing Pool

The Jefferson Health Plan Self-Insurance Plan – The School District participates in the Jefferson Health Plan, formerly known as the Ohio Mid-Eastern Regional Educational Service Agency, Self-Insurance Plan, a risk-sharing, claims servicing, and insurance purchasing pool comprised of over one hundred members, including two insurance consortiums. Each participant appoints a member of the insurance plans' assembly. The Plans' business and affairs are conducted by a nine member Board of Directors elected from the assembly.

The plan offers medical, dental and prescription drug coverage to the members on a self-insured basis, as well as the opportunity to participate in the group purchasing of life insurance coverage. The medical coverage plan provides each plan participant the opportunity to choose a self-insurance deductible limit which can range from $35,000 to $150,000 under which the individual member is responsible for all claims through the claims servicing pool. Plan participants also participate in a shared risk internal pool for individual claims between the self-insurance deductible limit and $500,000, and all claims between the deductible and the $500,000 are paid from the internal shared risk pool. The internal pool is not owned by the plan participants. All participants pay a premium rate that is actuarially calculated based on the participants' actual claims experience which are utilized for the payment of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. All participants pay an additional fee for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool pays dividends to the participants. For all individual claims exceeding $500,000, stop loss coverage is purchased, as well as for an annual total plan aggregate claims amount. All plan participants also pay a monthly administrative fee for fiscal services and third party administrative services.

NOTE 19 - RELATED ORGANIZATION

Barnesville Hutton Memorial Library - The Barnesville Hutton Memorial Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Barnesville Exempted Village School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Barnesville Hutton Memorial Library, Clerk, at East Main Street, Barnesville, Ohio 43713.

NOTE 20 - CONTINGENCIES

Grants

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

Litigation

The School District is currently not party to legal proceedings.

NOTE 21 - SET-ASIDE CALCULATIONS AND FUND RESTRICTIONS

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the acquisition and construction of capital improvements.

Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

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

	Capital Improvements
Set-aside Restricted Balance as of June 30, 2022	$0
Current Year Set-aside Requirement	289,667
Offsetting Revenue	(348,873)
Qualifying Expenditures	(204,460)
Total	($263,666)
Balance Carried Forward to Fiscal Year 2024	$0
Set-aside Restricted Balance as of June 30, 2023	$0

The School District had qualifying offsets and disbursements during the fiscal year that reduced the set-aside amount below zero. The excess in the capital maintenance set-aside may not be carried forward to reduce the set-aside requirement in future fiscal years.

NOTE 22 - ACCOUNTABILITY

At June 30, 2023, the Self-Insurance Health Internal Service Fund had a deficit net position of $435,501. This deficit is the result of an actual cash deficit as of June 30, 2023, as well as the recognition of payables in accordance with generally accepted accounting principles. Premiums charged to the participating School District funds were not sufficient to provide for the costs of administering and operating the self-insurance health program, resulting in the cash deficit.

NOTE 23 - COVID-19

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

NOTE 24 – SUBSEQUENT EVENTS

On February 15, 2024, the Board of Education accepted a long-term financing proposal from Chase Bank, NA in the amount of $2,253,000 at a rate of 3.72 percent for a 15-year, non-callable, term for the energy savings project with Energy Optimizers, USA, LLC.

Barnesville Exempted Village School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
*Last Ten Fiscal Years**

	2023	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.05788260%	0.06195770%	0.05634310%	0.05566590%
School District's Proportionate Share of the Net Pension Liability	$3,130,741	$2,286,060	$3,726,651	$3,330,589
School District's Covered Payroll	$2,234,636	$2,131,007	$1,909,471	$1,909,652
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	140.10%	107.28%	195.17%	174.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%

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

See accompanying notes to required supplementary information

2019	2018	2017	2016	2015	2014
0.05139520%	0.04977500%	0.05247520%	0.05303920%	0.05172700%	0.05172700%
$2,943,500	$2,973,947	$3,840,701	$3,026,469	$2,617,874	$3,076,039
$1,714,948	$1,668,814	$1,629,686	$1,596,760	$1,503,074	$1,419,786
171.64%	178.21%	235.67%	189.54%	174.17%	216.66%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

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

	2023	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.046045650%	0.046561908%	0.046550000%	0.045562980%
School District's Proportionate Share of the Net Pension Liability	$10,236,007	$5,953,357	$11,263,445	$10,075,979
School District's Covered Payroll	$5,712,993	$5,785,207	$5,973,586	$5,389,050
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	179.17%	102.91%	188.55%	186.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.80%	87.80%	75.50%	77.40%

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

See accompanying notes to required supplementary information

2019	2018	2017	2016	2015	2014
0.044166890%	0.044446450%	0.045958470%	0.046356360%	0.046930400%	0.046930400%
$9,711,306	$10,558,350	$15,383,685	$12,811,543	$11,415,097	$13,597,589
$5,075,279	$4,679,221	$4,924,971	$4,806,564	$4,821,508	$4,725,569
191.35%	225.64%	312.36%	266.54%	236.75%	287.75%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

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

	2023	2022	2021	2020
School District's Proportion of the Net OPEB Liability	0.05889690%	0.06283710%	0.05690130%	0.05591100%
School District's Proportionate Share of the Net OPEB Liability	$826,919	$1,189,242	$1,236,652	$1,406,044
School District's Covered Payroll	$2,234,636	$2,131,007	$1,909,471	$1,909,652
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	37.00%	55.81%	64.76%	73.63%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%	15.57%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added for each year.

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

See accompanying notes to the required supplementary information.

2019	2018	2017
0.05229930%	0.05036500%	0.05319930%
$1,450,925	$1,351,665	$1,516,377
$1,714,948	$1,668,814	$1,629,686
84.60%	81.00%	93.05%
13.57%	12.46%	11.49%

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

	2023	2022	2021	2020
School District's Proportion of the Net OPEB (Asset) Liability	0.046045650%	0.046561908%	0.046550000%	0.045562980%
School District's Proportionate Share of the Net OPEB (Asset) Liability	($1,192,275)	($981,719)	($818,115)	($754,632)
School District's Covered Payroll	$5,712,993	$5,785,027	$5,973,586	$5,389,050
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-20.87%	-16.97%	-13.70%	-14.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	230.70%	174.70%	182.10%	174.70%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added for each year.

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

See accompanying notes to the required supplementary information.

2019	2018	2017
0.044166890%	0.044446450%	0.045958470%
($709,715)	$1,734,137	$2,457,871
$5,075,279	$4,679,221	$4,924,971
-13.98%	37.06%	49.91%
176.00%	47.10%	37.30%

Barnesville Exempted Village School District
Required Supplementary Information
Schedule of School District Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Net Pension Liability					
Contractually Required Contribution	$341,420	$312,849	$298,341	$267,326	$257,803
Contributions in Relation to the Contractually Required Contribution	(341,420)	(312,849)	(298,341)	(267,326)	(257,803)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
School District Covered Payroll (1)	$2,438,714	$2,234,636	$2,131,007	$1,909,471	$1,909,652
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.50%
Net OPEB Liability					
Contractually Required Contribution (2)	$46,960	$36,987	$35,522	$29,149	$38,352
Contributions in Relation to the Contractually Required Contribution	($46,960)	($36,987)	($35,522)	($29,149)	($38,352)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	1.93%	1.66%	1.67%	1.53%	2.01%
Total Contributions as a Percentage of Covered Payroll (2)	15.93%	15.66%	15.67%	15.53%	15.51%

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

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
$231,518	$233,634	$228,156	$210,453	$208,326
(231,518)	(233,634)	(228,156)	(210,453)	(208,326)
$0	$0	$0	$0	$0
$1,714,948	$1,668,814	$1,629,686	$1,596,760	$1,503,074
13.50%	14.00%	14.00%	13.18%	13.86%
$30,810	$26,789	$27,011	$40,522	$28,108
($30,810)	($26,789)	($27,011)	($40,522)	($28,108)
$0	$0	$0	$0	$0
1.80%	1.61%	1.66%	2.54%	1.87%
15.30%	15.61%	15.66%	15.72%	15.73%

Barnesville Exempted Village School District
Required Supplementary Information
Schedule of School District Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Net Pension Liability					
Contractually Required Contribution	$856,795	$799,819	$809,929	$836,302	$754,467
Contributions in Relation to the Contractually Required Contribution	(856,795)	(799,819)	(809,929)	(836,302)	(754,467)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
School District Covered Payroll (1)	$6,119,964	$5,712,993	$5,785,207	$5,973,586	$5,389,050
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability					
Contractually Required Contribution	$0	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%

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

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
$710,539	$655,091	$689,496	$672,919	$626,796
(710,539)	(655,091)	(689,496)	(672,919)	(626,796)
$0	$0	$0	$0	$0
$5,075,279	$4,679,221	$4,924,971	$4,806,564	$4,821,508
14.00%	14.00%	14.00%	14.00%	13.00%
$0	$0	$0	$0	$48,215
0	0	0	0	(48,215)
$0	$0	$0	$0	$0
0.00%	0.00%	0.00%	0.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

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

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

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

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

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

Changes in Assumptions - STRS

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

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

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

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

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

Changes in Benefit Term – STRS Pension

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

Net OPEB Liability

Changes in Assumptions – SERS

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

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

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

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

Changes in Assumptions – STRS

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

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

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

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

Changes in Benefit Terms – STRS OPEB

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

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

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

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

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

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

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BARNESVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
BELMONT COUNTY

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

FEDERAL GRANTOR/ ***Pass-Through Grantor*** **Program/ Cluster Title**	**Federal AL Number**	**Pass-through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education and Workforce			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Donation):			
National School Lunch Program	10.555	2023	$23,455
Cash Assistance:			
National School Breakfast Program	10.553	2023	227,914
National School Lunch Program	10.555	2023	425,275
COVID-19 National School Lunch Program	10.555	2023	37,262
Cash Assistance Subtotal			690,451
Total Child Nutrition Cluster			713,906
COVID-19 State Pandemic EBT Transfer Administrative Cost	10.649	2023	628
Total U.S. Department of Agriculture			714,534
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education and Workforce			
Title I Grants to Local Educational Agencies	84.010	2022	37,353
		2023	250,997
Total Title I Grants to Local Educational Agencies			288,350
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	2023	293,544
COVID-19 Special Education - Grants to States	84.027X	2023	27,654
Passed through East Central Ohio Educational Service Center			
Special Education - Preschool Grants	84.173	2023	5,718
Total Special Education Cluster (IDEA)			326,916
Supporting Effective Instruction State Grants	84.367	2022	6,305
		2023	38,415
Total Supporting Effective Instruction State Grants			44,720
Student Support and Academic Enrichment Program	84.424	2022	2,961
		2023	16,568
Total Student Support and Academic Enrichment Program			19,529
Education Stablization Fund:			
Elementary and Secondary School Emergency Relief (ESSER II)	84.425D	2022	35,405
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER III)	84.425U	2023	754,241
American Rescue Plan Elementary and Secondary School Emergency Relief (Homeless Children and Youth)	84.425W	2023	554
Total Education Stablization Fund			790,200
Total U.S. Department of Education			1,469,715
U.S. DEPARTMENT OF TREASURY			
Passed Through Ohio Office of Budget and Management			
Coronavirus State and Local Fiscal Recovery Funds	21.027	2023	68,850
Total U.S. Department of Treasury			68,850
Total Expenditures of Federal Awards			**$2,253,099**

The accompanying notes are an integral part of this Schedule.

BARNESVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
BELMONT COUNTY

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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(800) 282-0370

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

Barnesville Exempted Village School District
Belmont County
210 West Church Street
Barnesville, Ohio 43713

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Barnesville Exempted Village School District, Belmont County, Ohio (the School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated February 29, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

February 29, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

Barnesville Exempted Village School District
Belmont County
210 West Church Street
Barnesville, Ohio 43713

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Barnesville Exempted Village School District's, Belmont County, Ohio (the School District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Barnesville Exempted Village School District's major federal programs for the year ended June 30, 2023. Barnesville Exempted Village School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

February 29, 2024

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BARNESVILLE EXEMPTED VILLAGE SCHOOL DISTRICT
BELMONT COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):** • Special Education Cluster (IDEA), AL #84.427/84.427X/84.173 • Education Stabilization Fund, AL #84.425D/84.425U/84.425W	
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

Superintendent
210 West Church Street
740-425-3615
Fax 740-425-5000

Special Education Department
910 Shamrock Drive
740-425-3617
Fax 740-425-9254

Treasurer
210 West Church Street
740-425-3615
Fax 740-425-5000

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	29 CFR § 5.6 regarding prevailing wage rates clause not included in ESSER contract.	Corrective Action Taken and Finding is Fully Corrected	
2022-002	2 CFR § 3474.1 regarding procurement procedures not followed for ESSER contract.	Corrective Action Taken and Finding is Fully Corrected	

High School Principal
910 Shamrock Drive
740-425-3617
Fax 740-425-9254

Middle School Principal
970 Shamrock Drive
740-425-3116
Fax 740-425-9204

Elementary Principal
210 West Church Street
740-425-3639
Fax 740-425-1136

OHIO AUDITOR OF STATE
KEITH FABER

BARNESVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

BELMONT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/21/2024

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