



OHIO AUDITOR OF STATE  
**KEITH FABER**





**STEUBENVILLE CITY SCHOOL DISTRICT  
JEFFERSON COUNTY  
JUNE 30, 2023**

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**STEUBENVILLE CITY SCHOOL DISTRICT  
JEFFERSON COUNTY  
JUNE 30, 2023**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Steubenville City School District  
Jefferson County  
611 North 4<sup>th</sup> Street  
Steubenville, Ohio 43952

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 Steubenville City School District, Jefferson County, Ohio (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Steubenville City School District, Jefferson County, Ohio as of June 30, 2023, and the respective changes in financial position and, cash flows thereof and the budgetary comparison for the General fund and Elementary School and Secondary Emergency Relief fund 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 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.

#### **Emphasis of Matter**

As discussed in Note 20 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding these matters.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities 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 District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 25, 2024

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**Steubenville City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023  
Unaudited

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The discussion and analysis of the Steubenville City 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 basic financial statements and the notes to the basic 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 increased \$9,986,123.
- General revenues accounted for \$25,997,628 in revenue or approximately 59 percent of all revenues. Program specific revenues in the form of charges for services and sales, and operating grants and contributions, and capital grants and contributions accounted for \$18,261,838 or approximately 41 percent of total revenues of \$44,259,466.
- Total assets increased \$13,276,464 primarily due to increases in capital assets, and current and other assets. Total liabilities increased in the amount of \$12,150,444 primarily due to an increase in net pension liability, and other amounts due in more than one year.
- The School District had \$34,273,343 in expenses related to governmental activities; only \$18,261,838 of these expenses were offset by program specific charges for services and sales, operating grants and contributions, and capital grants and contributions. General revenues of \$25,997,628 were adequate to provide for these programs.
- Total Governmental funds had \$44,114,590 in revenues and \$44,168,253 in expenditures. In total Governmental fund balances, including other financing sources and uses, increased \$2,946,337.

### **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 understand the Steubenville City 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 governmental 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.

**Steubenville City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023  
Unaudited

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***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 non-fiduciary 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 those positions. 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, the School District's activities are all considered to be Governmental Activities which include instruction, support services, operation of non-instructional services, debt service operations, and extracurricular activities.

***Reporting the School District's Most Significant Funds***

*Fund Financial Statements*

The analysis of the School District's 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 multiple 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, the Elementary and Secondary School Emergency Relief (ESSER) Special Revenue Fund, the Permanent Improvement Capital Projects Fund and the Building Capital Projects 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.

**Steubenville City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023  
Unaudited

*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 as compared to 2022.

**Table 1**  
**Net Position**

	<u>2023</u>	<u>2022</u>	<u>Change</u>
<b>Assets</b>			
Current and Other Assets	\$28,030,586	\$24,019,133	\$4,011,453
Net OPEB Asset	2,482,729	2,072,145	410,584
Capital Assets	<u>57,756,238</u>	<u>48,901,811</u>	<u>8,854,427</u>
<b>Total Assets</b>	<u>88,269,553</u>	<u>74,993,089</u>	<u>13,276,464</u>
<b>Deferred Outflow of Resources</b>			
Pension	6,722,034	7,307,384	(585,350)
OPEB	<u>584,972</u>	<u>741,353</u>	<u>(156,381)</u>
<b>Total Deferred Outflows of Resources</b>	<u>7,307,006</u>	<u>8,048,737</u>	<u>(741,731)</u>
<b>Liabilities</b>			
Current and Other Liabilities	5,103,240	4,012,764	1,090,476
Long-Term Liabilities:			
Due Within One Year	535,886	1,252,027	(716,141)
Due in More Than One Year			
Net Pension Liability	25,401,513	15,520,662	9,880,851
Net OPEB Liability	1,078,771	1,550,343	(471,572)
Other Amounts	<u>6,333,312</u>	<u>3,966,482</u>	<u>2,366,830</u>
<b>Total Liabilities</b>	<u>38,452,722</u>	<u>26,302,278</u>	<u>12,150,444</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	4,270,337	4,215,144	55,193
Payment in Lieu of Taxes	28,704	28,704	0
Pension	2,746,651	12,554,321	(9,807,670)
OPEB	<u>3,488,000</u>	<u>3,337,357</u>	<u>150,643</u>
<b>Total Deferred Inflows of Resources</b>	<u>10,533,692</u>	<u>20,135,526</u>	<u>(9,601,834)</u>
<b>Net Position</b>			
Net Investment in Capital Assets	54,259,848	44,834,712	9,425,136
Restricted	8,440,523	7,468,437	972,086
Unrestricted (Deficit)	<u>(16,110,226)</u>	<u>(15,699,127)</u>	<u>(411,099)</u>
<b>Total Net Position</b>	<u>\$46,590,145</u>	<u>\$36,604,022</u>	<u>\$9,986,123</u>

**Steubenville City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023  
Unaudited

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

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in pension benefits, 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 \$13,276,464. Current and other assets increased \$4,011,453 primarily due to increases in equity in pooled cash and cash equivalents, as the School District has \$3,000,000 of unspent proceeds related to a financed purchase arrangement to assist in funding the construction of the new STEM Building, as well as increases in intergovernmental receivables related to ESSER reimbursements for related STEM Building project costs. Capital assets increased \$8,854,427, due to primarily to increases construction in progress, related to the previously addressed STEM Building construction. The School District also reflects an OPEB asset in the amount of \$2,482,729, an increase of \$410,584 from the prior year.

Total liabilities increased \$12,150,444. Current and other liabilities increased \$1,090,476 primarily due to increased contracts and retainage payable related to construction projects, as well as an increase in unearned revenue related to a K-12 School Safety Grant that was advance funded to the School District. Long-term liabilities increased \$11,059,968 primarily due to an increase in net pension liability as poor investments returns for the pension plans have reduced the improvements in the liability that were reported in fiscal year 2022, as well as a new financed purchase debt obligation with Jefferson Health Plan Infrastructure Bank for the construction of the previously addressed STEM Building. These increases in long-term liability components were partially offset by the retirement of the 2011 Refunding Bonds and the 2007 Qualified Zone Academy Bonds during fiscal year 2023, as well as a decrease in the net OPEB liability.

The School District's deferred inflows of resources decreased \$9,601,834, primarily due to the previously addressed 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 fiscal year, the following table gives the readers further details regarding the results of activities for 2023 and 2022.

**Steubenville City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023  
Unaudited

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

	<u>2023</u>	<u>2022</u>	<u>Change</u>
<b>Revenues</b>			
Program Revenues			
Charges for Services and Sales	\$809,398	\$930,539	(\$121,141)
Operating Grants and Contributions	10,393,811	10,947,989	(554,178)
Capital Grants and Contributions	7,058,629	0	7,058,629
<b>Total Program Revenues</b>	<u>18,261,838</u>	<u>11,878,528</u>	<u>6,383,310</u>
General Revenues			
Property Taxes	4,490,898	4,731,819	(240,921)
Revenue in Lieu of Taxes	28,704	28,704	0
Grants and Entitlements not Restricted to Specific Programs	20,253,914	18,327,685	1,926,229
Others	1,224,112	646,084	578,028
<b>Total General Revenues</b>	<u>25,997,628</u>	<u>23,734,292</u>	<u>2,263,336</u>
<b>Total Revenues</b>	<u>44,259,466</u>	<u>35,612,820</u>	<u>8,646,646</u>
<b>Program Expenses</b>			
Instruction			
Regular	15,123,430	14,375,274	748,156
Special	3,876,051	3,327,555	548,496
Vocational	844,597	822,962	21,635
Support Services			
Pupil	1,377,165	1,109,759	267,406
Instructional Staff	770,782	792,556	(21,774)
Board of Education	162,569	432,161	(269,592)
Administration	2,792,665	2,550,439	242,226
Fiscal	487,439	493,225	(5,786)
Business	281,903	187,386	94,517
Operation and Maintenance of Plant	3,848,993	4,021,226	(172,233)
Pupil Transportation	374,593	528,921	(154,328)
Central	166,913	275,615	(108,702)
Operation of Non-Instructional Services	932,869	740,744	192,125
Food Service Operations	1,811,905	1,686,697	125,208
Extracurricular Activities	1,359,163	1,058,495	300,668
Interest	62,306	1,368	60,938
<b>Total Expenses</b>	<u>34,273,343</u>	<u>32,404,383</u>	<u>1,868,960</u>
<b>Change in Net Position</b>	9,986,123	3,208,437	6,777,686
Net Position Beginning of Year	<u>36,604,022</u>	<u>33,395,585</u>	<u>3,208,437</u>
Net Position End of Year	<u><u>\$46,590,145</u></u>	<u><u>\$36,604,022</u></u>	<u><u>\$9,986,123</u></u>

**Staubenville City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023  
Unaudited

In 2023, 10 percent of the School District's revenues were from property taxes, and 46 percent were from unrestricted grants and entitlements. In 2023, program revenues increased \$6,383,310 primarily due to an increase in capital grants and contributions. The increase in capital grants is due to the School District utilizing Elementary and Secondary School Emergency Relief (ESSER) Funds for portions of the STEM Building construction project.

Instructional programs comprise approximately 58 percent of total governmental program expenses and reflect a \$1,318,287 increase from fiscal year 2022. Overall, program expenses of the School District increased by \$1,868,960, as net capital asset activity was able to partially offset the increase in program expense related to pension.

The Statement of Activities shows the cost of program services and the charges for services, grants, contributions, and interest earnings offsetting those services. 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**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction				
Regular	\$15,123,430	\$14,375,274	\$12,234,321	\$11,207,353
Special	3,876,051	3,327,555	1,432,298	897,188
Vocational	844,597	822,962	212,723	232,736
Support Services				
Pupil	1,377,165	1,109,759	990,665	651,158
Instructional Staff	770,782	792,556	536,946	551,008
Board of Education	162,569	432,161	162,569	432,161
Administration	2,792,665	2,550,439	2,520,036	2,273,679
Fiscal	487,439	493,225	461,545	464,729
Business	281,903	187,386	281,903	182,711
Operation and Maintenance of Plant	3,848,993	3,024,955	(3,409,167)	2,379,363
Pupil Transportation	374,593	528,921	311,841	528,921
Central	166,913	275,615	166,913	275,615
Operation of Non-Instructional Services	932,869	740,744	205,564	111,635
Food Service Operations	1,811,905	2,682,968	(855,983)	(233,824)
Extracurricular Activities	1,359,163	1,058,495	697,025	570,054
Interest	62,306	1,368	62,306	1,368
<b>Total Expenses</b>	<u><u>\$34,273,343</u></u>	<u><u>\$32,404,383</u></u>	<u><u>\$16,011,505</u></u>	<u><u>\$20,525,855</u></u>

The dependence upon tax revenues and state subsidies for governmental activities is apparent. Approximately 47 percent of program expenses are supported through taxes and other general revenues.

**Steubenville City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023  
Unaudited

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### **The School District Funds**

Information about the School District funds starts on page 16. The School District reports four major funds, the General Fund, the Elementary and Secondary School Emergency Relief (ESSER) Special Revenue Fund, the Permanent Improvement Capital Projects Fund and the Building Capital Projects Fund. The General Fund had \$27,341,120 in revenues and \$26,439,522 in expenditures. Including other financing uses, the General Fund's balance increased \$682,057 primarily due to increases in intergovernmental revenue related to State Foundation Funding. The Elementary and Secondary School Emergency Relief (ESSER) Fund had \$8,357,013 in revenues and \$8,553,413 in expenditures, resulting in a decrease in its fund balance of \$196,400. The decrease is due to grant moneys to be received but were reported as unavailable revenue. The Permanent Improvement Capital Projects Fund had \$795,675 in revenues and \$1,107,086 in expenditures, resulting in a fund balance decrease of \$311,411. The decrease is primarily due to the School District paying for capital asset additions with the resources of the fund. The Building Capital Projects Fund had \$3,000,000 in other financing sources for the inception of a financed purchase, related to a financing arrangement through the Infrastructure Bank of the Jefferson Health Plan to assist in funding the STEM Building Construction Project. The entirety of the proceeds remain unspent at the end of the fiscal year, resulting in a fund balance of \$3,000,000.

### ***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, and the budgetary statement reflects both the original and final appropriated amounts. The changes between the original and the final budget reflect increases in intergovernmental revenues and a decrease in tuition and fees, as well as increases in all expenditure functions except instruction expenditures which decreased. Actual revenues were less than estimated as intergovernmental revenues were less than anticipated. The actual results of operations were not significantly different than the budgeted amounts for expenditures.

### **Capital Assets and Debt Administration**

#### ***Capital Assets***

At the end of fiscal year 2023, the School District had \$57,756,238 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles. See Note 9 for more detailed information of the School District's capital assets.

#### ***Debt***

At June 30, 2023, the School District had \$5,364,107 in bonds outstanding, and financed purchases. Table 4 summarizes the outstanding debt obligations for fiscal year 2023 and fiscal year 2022.

**Steubenville City School District**  
Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023  
Unaudited

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**Table 4**  
**Outstanding Debt at Year End**

	2023	2022
2011 Refunding Bonds - Serial and Premium	\$0	\$242,027
2007 Qualified Zone Academy Bonds	0	700,000
2014 Qualified Zone Academy Bonds	1,512,500	1,650,000
2016 Qualified Zone Academy Bonds	975,000	1,050,000
Financed Purchase	2,876,607	0
<b>Total</b>	<b>\$5,364,107</b>	<b>\$3,642,027</b>

See Note 15 for more information regarding the School District’s debt and other long-term obligations, including compensated absences and net pension/OPEB liability.

***Economic Factors***

These financials are being submitted during the multiyear economic recovery following the 2020 COVID-19 Pandemic. The recovery began in the fall of 2020 and remains robust through the latest five-year forecast date. Many supply chain concerns have lessened as manufacturing has caught up. However, persistently high inflation continues to impact our state, country, and broader globalized economy. Inflation in June 2022 hit a 40-year high of 9.1 percent before falling to the current annualized rate of 3.4 percent in August 2023. Costs in fiscal year 2023 were notably impacted in areas such as capital and durable goods, diesel fuel for buses, electric, natural gas, and building materials for facility maintenance and repair. Increased inflation affecting School District costs is expected to continue in fiscal year 2024. However, the Federal Reserve is projecting inflation to be closer to their target rate of 2 percent sometime in calendar 2024. It remains to be seen if the cumulative cost increases over the past two years are transitory in goods and services or will last over several years.

Jefferson County went through a reappraisal in Tax Year 2021 and resulted in Class I – Residential/Agricultural values to increase 12.7 percent and no significant change in Class II – Industrial/Commercial values. In Tax Year 2024 the district will have a full reappraisal and the School District is anticipating overall Class I and II values to increase 4.21 percent or \$7.1 million in assessed value. There is a moderate risk values will not increase as expected. However, House Bill 187 and Senate Bill 153 have been introduced to average property value in reappraisals and updates. These bills are pending and could have an impact on the 2024 reappraisal and potentially the 20 mill floor. The School District is a 20 mill school district for Class I property so any assessed value adjustment will result in some local tax growth. Only 10 percent of School District revenues came from property tax revenue in fiscal year 2023.

**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 Robert Lamantia, Treasurer, Treasurer at Steubenville City School District, 611 N 4<sup>th</sup> Street, Steubenville, Ohio 43952.

**Basic Financial  
Statements**

**Steubenville City School District**  
*Statement of Net Position*  
*June 30, 2023*

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$16,339,051
Intergovernmental Receivable	1,507,662
Accounts Receivable	131,380
Prepaid Items	22,499
Property Taxes Receivable	5,940,868
Revenue in Lieu of Taxes Receivable	28,704
Cash and Cash Equivalents with Fiscal Agents	4,060,422
Net OPEB Asset	2,482,729
Non-Depreciable Capital Assets	14,170,158
Depreciable Capital Assets, Net	<u>43,586,080</u>
 Total Assets	 <u>88,269,553</u>
<b>Deferred Outflows of Resources</b>	
Pension	6,722,034
OPEB	<u>584,972</u>
 Total Deferred Outflows of Resources	 <u>7,307,006</u>
<b>Liabilities</b>	
Accounts Payable	299,031
Accrued Wages and Benefits Payable	1,939,806
Contracts Payable	937,220
Retainage Payable	195,063
Vacation Benefits Payable	34,018
Intergovernmental Payable	850,689
Matured Severance Payable	38,141
Accrued Interest Payable	9,739
Claims Payable	518,989
Unearned Revenue	280,544
Long-Term Liabilities:	
Due Within One Year	535,886
Due In More Than One Year:	
Net Pension Liability	25,401,513
Net OPEB Liability	1,078,771
Other Amounts	<u>6,333,312</u>
 Total Liabilities	 <u>38,452,722</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes	4,270,337
Payment in Lieu of Taxes	28,704
Pension	2,746,651
OPEB	<u>3,488,000</u>
 Total Deferred Inflows of Resources	 <u>10,533,692</u>
<b>Net Position</b>	
Net Investment in Capital Assets	54,259,848
Restricted for:	
Debt Service	330,399
Capital Outlay	1,982,095
State and Intermediate Programs	135,072
Food Service Operations	2,386,919
Preschool Programs	381,086
Classroom Facilities Maintenance	586,630
Scholarships	1,572,246
Set Asides	85,496
Student Activity	194,061
OPEB	567,714
Other Purposes	218,805
Unrestricted (Deficit)	<u>(16,110,226)</u>
 Total Net Position	 <u>\$46,590,145</u>

See accompanying notes to the basic financial statements

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

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
Current:					
Instruction:					
Regular	\$15,123,430	\$141,649	\$2,747,460	\$0	(\$12,234,321)
Special	3,876,051	0	2,443,753	0	(1,432,298)
Vocational	844,597	0	631,874	0	(212,723)
Support Services:					
Pupil	1,377,165	0	386,500	0	(990,665)
Instructional Staff	770,782	0	233,836	0	(536,946)
Board of Education	162,569	0	0	0	(162,569)
Administration	2,792,665	0	272,629	0	(2,520,036)
Fiscal	487,439	0	25,894	0	(461,545)
Business	281,903	0	0	0	(281,903)
Operation and Maintenance of Plant	3,848,993	44,095	218,188	6,995,877	3,409,167
Pupil Transportation	374,593	0	0	62,752	(311,841)
Central	166,913	0	0	0	(166,913)
Operation of Non-Instructional Services	932,869	0	727,305	0	(205,564)
Food Service Operations	1,811,905	0	2,667,888	0	855,983
Extracurricular Activities	1,359,163	623,654	38,484	0	(697,025)
Interest	62,306	0	0	0	(62,306)
<b>Total Governmental Activities</b>	<b>\$34,273,343</b>	<b>\$809,398</b>	<b>\$10,393,811</b>	<b>\$7,058,629</b>	<b>(16,011,505)</b>
<b>General Revenues</b>					
Property Taxes Levied for General Purposes					3,704,438
Property Taxes Levied for Capital Projects					782,712
Property Taxes Levied for Classroom Facilities Maintenance					3,748
Revenue in Lieu of Taxes for General Purposes					28,704
Grants and Entitlements not Restricted to Specific Programs					20,253,914
Gifts and Donations					189,158
Investment Earnings					387,453
Miscellaneous					647,501
<b>Total General Revenues</b>					<b>25,997,628</b>
<b>Change in Net Position</b>					<b>9,986,123</b>
<b>Net Position Beginning of Year</b>					<b>36,604,022</b>
<b>Net Position End of Year</b>					<b>\$46,590,145</b>

See accompanying notes to the basic financial statements

**Stuebville City School District**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2023*

	General	Elementary and Secondary School Emergency Relief	Permanent Improvement	Building	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$8,043,657	\$20,655	\$600,621	\$3,000,000	\$4,560,591	\$16,225,524
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0	1,569,545	1,569,545
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	96,024	0	0	0	0	96,024
Receivables:						
Property Taxes	5,000,750	0	940,118	0	0	5,940,868
Intergovernmental	62,627	1,240,037	0	0	204,998	1,507,662
Revenue in Lieu of Taxes	28,704	0	0	0	0	28,704
Prepaid Items	21,860	0	0	0	639	22,499
<b>Total Assets</b>	<b>\$13,253,622</b>	<b>\$1,260,692</b>	<b>\$1,540,739</b>	<b>\$3,000,000</b>	<b>\$6,335,773</b>	<b>\$25,390,826</b>
<b>Liabilities</b>						
Accounts Payable	\$254,861	\$0	\$0	\$0	\$44,170	\$299,031
Accrued Wages and Benefits Payable	1,660,039	94,818	0	0	184,949	1,939,806
Contracts Payable	0	937,220	0	0	0	937,220
Retainage Payable	0	195,063	0	0	0	195,063
Intergovernmental Payable	797,780	12,936	0	0	39,973	850,689
Matured Severance Payable	38,141	0	0	0	0	38,141
Unearned Revenue	0	20,655	0	0	259,889	280,544
<b>Total Liabilities</b>	<b>2,750,821</b>	<b>1,260,692</b>	<b>0</b>	<b>0</b>	<b>528,981</b>	<b>4,540,494</b>
<b>Deferred Inflows of Resources</b>						
Property Taxes	3,579,410	0	690,927	0	0	4,270,337
Payments in Lieu of Taxes	28,704	0	0	0	0	28,704
Unavailable Revenue	1,307,935	249,800	203,581	0	96,181	1,857,497
<b>Total Deferred Inflows of Resources</b>	<b>4,916,049</b>	<b>249,800</b>	<b>894,508</b>	<b>0</b>	<b>96,181</b>	<b>6,156,538</b>
<b>Fund Balances</b>						
<b>Nonspendable:</b>						
Prepaid Items	21,860	0	0	0	639	22,499
Unclaimed Monies	10,528	0	0	0	0	10,528
<b>Restricted for:</b>						
Debt Service	0	0	0	0	340,138	340,138
Capital Outlay	0	0	646,231	3,000,000	0	3,646,231
Budget Stabilization	85,496	0	0	0	0	85,496
State and Intermediate Programs	0	0	0	0	135,072	135,072
Food Service Operations	0	0	0	0	2,388,733	2,388,733
Preschool Programs	0	0	0	0	353,984	353,984
Classroom Facilities Maintenance	0	0	0	0	586,630	586,630
Other Purposes	0	0	0	0	208,277	208,277
Student Activity Programs	0	0	0	0	194,061	194,061
Scholarships	0	0	0	0	1,572,246	1,572,246
<b>Committed for:</b>						
Capital Projects	1,989,906	0	0	0	0	1,989,906
<b>Assigned for:</b>						
Purchases on Order	1,816,780	0	0	0	0	1,816,780
Unassigned (Deficit)	1,662,182	(249,800)	0	0	(69,169)	1,343,213
<b>Total Fund Balances</b>	<b>5,586,752</b>	<b>(249,800)</b>	<b>646,231</b>	<b>3,000,000</b>	<b>5,710,611</b>	<b>14,693,794</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$13,253,622</b>	<b>\$1,260,692</b>	<b>\$1,540,739</b>	<b>\$3,000,000</b>	<b>\$6,335,773</b>	<b>\$25,390,826</b>

See accompanying notes to the basic financial statements

**Steubenville City School District**  
*Reconciliation of Total Governmental Fund Balances  
to Net Position of Governmental Activities  
June 30, 2023*

<b>Total Governmental Fund Balances</b>		<b>\$14,693,794</b>
<i>Amounts reported for governmental activities in the Statement of Net Position are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		57,756,238
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds:		
Delinquent Property Taxes	1,448,889	
Intergovernmental	345,981	
Tuition and Fees	62,627	
Total	1,857,497	1,857,497
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 on the Statement of Net Position.		2,120,771
Vacation benefits payable is recognized for earned vacation benefits that are not expected to be paid with expendable available financial resources are therefore not reported in the funds.		(34,018)
In the Statement of Activities, interest is accrued on outstanding bonds and notes, whereas in the governmental funds, an interest expenditure is reported when due.		(9,739)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Qualified Zone Academy Bonds	2,487,500	
Financed Purchases	2,876,607	
Compensated Absences	1,505,091	
Total	6,869,198	(6,869,198)
The net OPEB asset, net pension liability and net OPEB liability are not due and payable in the current period; therefore, the asset, the liability and related deferred inflows/outflows are not reported in the governmental funds:		
Net OPEB Asset	2,482,729	
Deferred Outflows - Pension	6,722,034	
Deferred Outflows - OPEB	584,972	
Net Pension Liability	(25,401,513)	
Net OPEB Liability	(1,078,771)	
Deferred Inflows - Pension	(2,746,651)	
Deferred Inflows - OPEB	(3,488,000)	
Total	(22,925,200)	(22,925,200)
<i>Net Position of Governmental Activities</i>		<b>\$46,590,145</b>

See accompanying notes to the basic financial statements

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

	General	Elementary and Secondary School Emergency Relief	Permanent Improvement	Building	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property Taxes	\$3,625,344	\$0	\$769,781	\$0	\$24,030	\$4,419,155
Intergovernmental	22,609,948	8,357,013	25,894	0	6,394,804	37,387,659
Investment Earnings and Other Interest	191,761	0	0	0	153,982	345,743
Tuition and Fees	187,242	0	0	0	74,160	261,402
Rent	44,095	0	0	0	0	44,095
Extracurricular Activities	18,054	0	0	0	605,600	623,654
Contributions and Donations	74,181	0	0	0	257,497	331,678
Charges for Services	24,999	0	0	0	0	24,999
Revenue in Lieu of Taxes	28,704	0	0	0	0	28,704
Miscellaneous	536,792	0	0	0	110,709	647,501
<b>Total Revenues</b>	<b>27,341,120</b>	<b>8,357,013</b>	<b>795,675</b>	<b>0</b>	<b>7,620,782</b>	<b>44,114,590</b>
<b>Expenditures</b>						
Current:						
Instruction:						
Regular	11,288,415	1,100,935	0	0	1,750,906	14,140,256
Special	2,889,967	0	0	0	708,131	3,598,098
Vocational	703,359	244	0	0	12,000	715,603
Support Services:						
Pupil	942,666	0	0	0	402,061	1,344,727
Instructional Staff	382,171	120,021	0	0	118,551	620,743
Board of Education	166,938	0	0	0	0	166,938
Administration	2,317,511	111,919	0	0	165,811	2,595,241
Fiscal	492,402	0	15,740	0	2,523	510,665
Business	281,884	0	0	0	0	281,884
Operation and Maintenance of Plant	5,630,616	7,220,294	0	0	288,329	13,139,239
Pupil Transportation	469,249	0	0	0	62,752	532,001
Central	166,913	0	0	0	0	166,913
Operation of Non-Instructional Services	24,266	0	0	0	787,636	811,902
Food Service Operations	0	0	0	0	1,835,689	1,835,689
Extracurricular Activities	497,618	0	0	0	787,088	1,284,706
Capital Outlay	1,216	0	1,091,346	0	0	1,092,562
Debt Service:						
Principal Retirement	123,393	0	0	0	1,142,500	1,265,893
Interest	60,938	0	0	0	4,255	65,193
<b>Total Expenditures</b>	<b>26,439,522</b>	<b>8,553,413</b>	<b>1,107,086</b>	<b>0</b>	<b>8,068,232</b>	<b>44,168,253</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>901,598</b>	<b>(196,400)</b>	<b>(311,411)</b>	<b>0</b>	<b>(447,450)</b>	<b>(53,663)</b>
<b>Other Financing Sources (Uses)</b>						
Inception of Financed Purchase	0	0	0	3,000,000	0	3,000,000
Transfers In	0	0	0	0	219,541	219,541
Transfers Out	(219,541)	0	0	0	0	(219,541)
<b>Total Other Financing Sources (Uses)</b>	<b>(219,541)</b>	<b>0</b>	<b>0</b>	<b>3,000,000</b>	<b>219,541</b>	<b>3,000,000</b>
<b>Net Change in Fund Balances</b>	<b>682,057</b>	<b>(196,400)</b>	<b>(311,411)</b>	<b>3,000,000</b>	<b>(227,909)</b>	<b>2,946,337</b>
<b>Fund Balances (Deficit) Beginning of Year</b>	<b>4,904,695</b>	<b>(53,400)</b>	<b>957,642</b>	<b>0</b>	<b>5,938,520</b>	<b>11,747,457</b>
<b>Fund Balances (Deficit) End of Year</b>	<b>\$5,586,752</b>	<b>(\$249,800)</b>	<b>\$646,231</b>	<b>\$3,000,000</b>	<b>\$5,710,611</b>	<b>\$14,693,794</b>

See accompanying notes to the basic financial statements

**Steubenville City 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*

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<b>Net Change in Fund Balances - Total Governmental Funds</b>		<b>\$2,946,337</b>
<i>Amounts reported for governmental activities in the Statement of Activities are different because</i>		
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 exceeded depreciation in the current period.		
Capital Asset Additions	11,164,218	
Depreciation	<u>(2,309,791)</u>	
Total		8,854,427
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:		
Delinquent Property Taxes	71,743	
Intergovernmental	176,175	
Tuition and Fees	<u>(144,752)</u>	
Total		103,166
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.		
Inception of Financed Purchase		(3,000,000)
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	230,000	
Qualified Zone Academy Bonds	912,500	
Financed Purchases	<u>123,393</u>	
Total		1,265,893
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the Statement of Activities.		
Accrued Interest		(9,140)
Bond premiums are reported as other financing sources in the governmental funds, but are allocated as an expense over the life of the bonds on the Statement of Activities.		
		12,027
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Vacation Benefits Payable	33,639	
Compensated Absences	<u>71,391</u>	
Total		105,030
The internal service fund used by management to charge the costs of health insurance to individual funds is not reported in the Statement of Activities. Governmental fund expenditures and the related internal service fund revenue are eliminated. The net revenue (expense) of the internal service fund is allocated among governmental activities.		
		(208,218)
Contractually required contributions are reported as expenditures in the governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows:		
Pension	2,220,543	
OPEB	<u>52,054</u>	
Total		2,272,597
Except for amounts reported as deferred outflows/inflows, changes in net pension/OPEB (asset) liability are reported as pension/OPEB expense in the Statement of Activities:		
Pension	(2,879,074)	
OPEB	<u>523,078</u>	
Total		<u>(2,355,996)</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$9,986,123</u></u>

See accompanying notes to the basic financial statements

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Property Taxes	\$3,650,000	\$3,650,000	\$3,700,989	\$50,989
Intergovernmental	20,387,100	25,589,100	22,615,942	(2,973,158)
Interest	40,000	164,000	191,761	27,761
Tuition and Fees	729,500	277,500	183,975	(93,525)
Rent	25,000	25,000	44,095	19,095
Contributions and Donations	110,000	110,000	70,836	(39,164)
Charges for Services	22,000	22,000	17,795	(4,205)
Revenue in Lieu of Taxes	30,000	30,000	28,704	(1,296)
Miscellaneous	80,000	465,000	504,341	39,341
<b>Total Revenues</b>	<b>25,073,600</b>	<b>30,332,600</b>	<b>27,358,438</b>	<b>(2,974,162)</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	12,094,503	11,301,700	11,424,439	(122,739)
Special	2,816,001	2,844,124	2,822,009	22,115
Vocational	680,674	929,029	929,461	(432)
Support Services:				
Pupil	434,454	925,324	930,863	(5,539)
Instructional Staff	773,800	443,897	426,980	16,917
Board of Education	176,170	207,823	197,083	10,740
Administration	2,305,855	2,335,426	2,312,386	23,040
Fiscal	485,467	507,436	501,039	6,397
Business	242,081	349,545	335,715	13,830
Operation and Maintenance of Plant	6,087,956	9,236,151	9,170,973	65,178
Pupil Transportation	502,547	516,987	511,200	5,787
Central	173,566	174,400	166,978	7,422
Extracurricular Activities	438,728	510,080	484,078	26,002
Capital Outlay	20,000	20,000	0	20,000
Debt Service:				
Principal	90,803	123,393	123,393	0
Interest	44,844	60,938	60,938	0
<b>Total Expenditures</b>	<b>27,367,449</b>	<b>30,486,253</b>	<b>30,397,535</b>	<b>88,718</b>
<b>Excess of Revenues Under Expenditures</b>	<b>(2,293,849)</b>	<b>(153,653)</b>	<b>(3,039,097)</b>	<b>(2,885,444)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	5,667	5,667
Transfers Out	(282,368)	(219,600)	(219,541)	59
Advances Out	(50,000)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(332,368)</b>	<b>(219,600)</b>	<b>(213,874)</b>	<b>5,726</b>
<b>Net Change in Fund Balance</b>	<b>(2,626,217)</b>	<b>(373,253)</b>	<b>(3,252,971)</b>	<b>(2,879,718)</b>
Fund Balance Beginning of Year - Restated (Note 3)	5,904,864	5,904,864	5,904,864	0
Prior Year Encumbrances Appropriated	1,404,768	1,404,768	1,404,768	0
<b>Fund Balance End of Year</b>	<b>\$4,683,415</b>	<b>\$6,936,379</b>	<b>\$4,056,661</b>	<b>(\$2,879,718)</b>

See accompanying notes to the basic financial statements

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

	Original Budget	Original Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Intergovernmental	\$220,907	\$12,811,176	\$7,418,863	(\$5,392,313)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	1,261,819	1,259,912	1,259,912	0
Vocational	2,913	2,913	2,913	0
Support Services:				
Instructional Staff	105,101	141,437	141,437	0
Administration	152,032	115,696	115,696	0
Operation and Maintenance of Plant	11,290,790	11,290,791	11,290,791	0
Total Expenditures	12,812,655	12,810,749	12,810,749	0
Net Change in Fund Balance	(12,591,748)	427	(5,391,886)	(5,392,313)
Fund Balance Beginning of Year	(71,745)	(71,745)	(71,745)	0
Prior Year Encumbrances Appropriated	89,507	89,507	89,507	0
Fund Balance End of Year	<u>(\$12,573,986)</u>	<u>\$18,189</u>	<u>(\$5,374,124)</u>	<u>(\$5,392,313)</u>

See accompanying notes to the basic financial statements

**Steubenville City School District**  
*Statement of Fund Net Position*  
*Proprietary Fund*  
*June 30, 2023*

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	Governmental Activity
	Internal Service Fund
<b>Current Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$17,503
Cash and Cash Equivalents with Fiscal Agent	2,490,877
Accounts Receivable	131,380
Total Current Assets	2,639,760
<b>Current Liabilities</b>	
Claims Payable	518,989
<b>Net Position</b>	
Unrestricted	2,120,771
Total Net Position	\$2,120,771

See accompanying notes to the basic financial statements

**Stebenville City School District**  
*Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Proprietary Fund*  
*For the Fiscal Year Ended June 30, 2023*

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	Governmental Activity
	Internal Service Fund
<b>Operating Revenues</b>	
Charges for Services	\$4,209,603
Other Revenues	292,668
	4,502,271
<b>Operating Expenses</b>	
Purchased Services	1,064,908
Claims	3,687,291
	4,752,199
Operating Loss	(249,928)
<b>Non-Operating Revenues</b>	
Interest	41,710
Change in Net Position	(208,218)
Net Position Beginning of Year	2,328,989
Net Position End of Year	\$2,120,771

See accompanying notes to the basic financial statements

**Stebenville City School District**  
*Statement of Cash Flows*  
*Proprietary Fund*  
*For the Fiscal Year Ended June 30, 2023*

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	Governmental Activity
	Internal Service Fund
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Interfund Services Provided	\$4,209,603
Cash Payments for Services	(1,064,908)
Cash Payments for Claims	(4,492,200)
Cash Received from Other Operating Revenues	905,055
<i>Net Cash Used for Operating Activities</i>	(442,450)
<b>Cash Flows from Investing Activities</b>	
Interest	41,710
<i>Net Change in Cash and Cash Equivalents</i>	(400,740)
<i>Cash and Cash Equivalents Beginning of Year</i>	2,909,120
<i>Cash and Cash Equivalents End of Year</i>	\$2,508,380
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</b>	
Operating Loss	(\$249,928)
Increase in Account Receivable	(58,057)
Decrease in Claims Payable	(134,465)
<i>Net Cash Used for Operating Activities</i>	(\$442,450)

See accompanying notes to the basic financial statements

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Steubenville City School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and federal guidelines.

The School District was established in 1838. The School District serves an area of 8.56 square miles in the City of Steubenville. It is located in Jefferson County on the Ohio River, thirty-seven miles west of Pittsburgh, Pennsylvania. It is staffed by 85 non-certificated employees, 185 certificated full-time and 12 certificated part-time teaching personnel, and 24 full-time and 1 part-time administrative employees who provide services to 2,734 students and other community members. The School District currently operates 4 elementary schools, 1 middle school, 1 high school, 1 administrative center, and 1 athletic training facility.

*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 Steubenville City 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. No separate governmental units meet the criteria for inclusion as a component unit. The following activity is included within the reporting entity:

**Parochial Schools:** Within the School District boundaries, Bishop John King Mussio Elementary, Bishop John King Mussio Central Junior High, and Catholic Central High School are operated through the Steubenville Diocese. Current State legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the School District, as directed by the parochial schools. This activity is reflected as a governmental activity and as part of the non-major governmental funds for financial reporting purposes.

The School District is involved with the Jefferson County Joint Vocational School, Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council), and the Coalition of Rural and Appalachian Schools (CORAS), which are defined as jointly governed organizations, the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), and Schools of Ohio Risk Sharing Authority (SORSA) which are defined as an insurance purchasing pools, and the Jefferson Health Plan Self-Insurance Plan, which is defined as a risk-sharing, claims servicing, and insurance purchasing pool. These organizations are presented in Notes 16 and 17 to the financial statements.

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

***Basis of Presentation***

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

***Government-wide Financial Statements*** The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements usually distinguish between those activities of the School District that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges); however, the School District has no business-type activities.

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

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

***Fund Accounting***

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

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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

**General Fund** - The General Fund is the operating fund of the School District and is used to account for 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.

**Elementary and Secondary School Emergency Relief (ESSER) Fund** – The Elementary and Secondary School Emergency Relief (ESSER) Fund to account for and report emergency relief grants to the School District in response to the COVID-19 pandemic. Grant restrictions include, but are not limited to, providing for coordination of preparedness and response efforts, training and professional development of staff, planning and coordination during long-term closure, and purchasing technology for students.

**Permanent Improvement Fund** - The Permanent Improvement Capital Projects Fund is used to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements.

**Building Fund** – A fund used to account for the proceeds of a financed purchase arrangement through the infrastructure bank of the Jefferson Health Plan and related expenditures for the construction and implementation of the School District's Science, Technology, Engineering and Math (STEM) Building.

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

**Proprietary Fund Type** 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, prescription drug and dental claims.

**Fiduciary Funds** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. Custodial Funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District's fiduciary funds also include custodial funds. The School District reported no fiduciary activity in fiscal year 2023.

**Measurement Focus**

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

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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

Like the government-wide statements, all proprietary 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.

***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 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 60 days of fiscal year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, revenue in lieu of taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which 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 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, tuition, grants, charges for services, and revenue in lieu of taxes.

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.

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future 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. The deferred outflows of resources related to pension and OPEB 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 represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB, 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 year 2024 operations. These amounts have been recorded as deferred inflow on both the government-wide statement of net position and the government fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants, and tuition and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities. 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 of accounting, expenses are recognized at the time they are incurred.

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

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

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

***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.”

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Investment earnings and other interest credited to the General Fund during fiscal year 2023 amounted to \$191,761, which includes \$71,393, 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.

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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***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 are imposed by law through constitutional provisions. Restricted assets in governmental funds represent unclaimed monies, and amounts required by State Statute to be set-aside by the School District for budget stabilization. See Note 18 for additional information regarding set-asides.

***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.

***Capital Assets***

The School District's only capital assets are general capital assets. General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the 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 five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not 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:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 Years
Buildings and Improvements	5-50 Years
Furniture and Equipment	5-20 Years
Vehicles	5-20 Years

***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.

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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***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 entire compensated absence leave benefit liability is reported on the government-wide financial statements.

On the government 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.

***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, and financed purchases are recognized as a liability on the governmental fund financial statements when due.

***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 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:** 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 or enabling legislation (School District resolutions).

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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**Committed:** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the School District Board of Education, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

**Unassigned:** Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

### ***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 its use either through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes unclaimed moneys, and local resources to be used for student programs. Restricted net position for OPEB plans represent the corresponding asset amounts after considering the related deferred outflows and deferred inflows.

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

### ***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 self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. Revenues and expenses not meeting this determination are reported as non-operating.

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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***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 Data***

All funds are legally required to be budgeted and appropriated. Budgets are controlled at the fund level for all appropriated funds. 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 for all funds of the School District. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The treasurer is given the authority to further allocate fund appropriations within all funds. Advances in/out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

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

The appropriation resolution is subject to amendment by the Board throughout the 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.

Some of the School District's funds are separate for budgetary purposes, and then combined on the GAAP basis. The Public School Support, High School Banquet, and Unclaimed Monies Special Revenue Funds are budgeted individually on a cash basis but are combined with the General Fund on a GAAP basis.

**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) No. 91, *Conduit Debt Obligations*; Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*; and GASB Statement No. 99, *Omnibus 2022*.

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

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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

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

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

*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:

	<u>General</u>
Budget Basis Fund Balance at June 30, 2022	\$5,965,996
Restatement	(61,132)
Restated Budget Basis Fund Balance at June 30, 2022	<u>\$5,904,864</u>

**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 Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non GAAP Basis) - General Fund and Elementary School and Secondary Emergency Relief Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or unassigned fund balance (GAAP basis).
4. 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.

**Stebenville City School District**  
*Notes to the Basic Financial Statements*  
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The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund and the Elementary School and Secondary Emergency Relief Fund.

Net Change in Fund Balance		
	General	ESSER
GAAP Basis	\$682,057	(\$196,400)
Revenue Accruals	22,985	(938,150)
Expenditure Accruals	53,000	1,137,442
Encumbrances	(4,021,335)	(5,394,778)
Perspective Difference	10,322	0
Budget Basis	(\$3,252,971)	(\$5,391,886)

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

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

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
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4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

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

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

At June 30, 2023, the School District's internal service fund had a balance of \$ 2,490,877 with Jefferson Health Plan Self-Insurance Plan, a risk-sharing, claims servicing, and insurance purchasing pool (See Note 17). 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.

At June 30, 2023, the School District's Education Foundation Special Revenue Fund had a balance of \$1,569,545 with Foundation for Appalachian Ohio (FAO), a 501 (c)(3) non-profit corporation. The balance is held by FAO in a pooled account which is representative of numerous gifts and contributions to be used for student scholarships and is reported as Cash and Cash Equivalents with Fiscal Agent.

### Deposits

**Custodial credit risk** for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2023, \$79,913 of the School District's total bank balance of \$16,371,609 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. Both of the School District's financial institutions participates in the Ohio Pooled Collateral System (OPCS) and one of them was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
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The School District has no deposit policy for custodial risk beyond the requirements of State Statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

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

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real, and public utility property located in the School District. Real property tax revenue received in calendar year 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State Statute 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 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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

Accrued property taxes receivable includes real property and public utility property taxes which 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 \$176,032 in the General Fund, and \$45,610 in the Permanent Improvement Capital Projects Fund. The amount available as an advance at June 30, 2022 was \$251,677 in the General Fund, \$52,611 in the Permanent Improvement Capital Projects Fund, and \$5,395 in the Classroom Facilities Maintenance Special Revenue Fund.

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

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
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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	\$167,644,050	86.47%	\$167,913,690	86.73%
Public Utility Personal	26,230,620	13.53%	25,691,970	13.27%
	\$193,874,670	100.00%	\$193,605,660	100.00%
Tax Rate per \$1,000 of assessed valuation		\$33.95		\$33.45

The reduction in tax rate is related the end of the 0.5 mill Classroom Facilities Maintenance 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:

<b>Governmental Activities:</b>	Amounts
Excess Costs from Other School Districts	\$62,627
Early Childhood Education Grant	51,825
High Schools That Work-Districts Grant	864
Parent Mentor Grant	1,817
School Lunch Program Subsidy	20,300
ARP ESSER	1,240,037
Title I Grant	17,005
Title I-D Grant	4,945
Title II-A Grant	15,735
Title IV-A Grant	9,402
IDEA Part B Grant	83,105
Total Intergovernmental Receivable	\$1,507,662

**Tax Increment Financing – Business Development** On November 18, 2015 the Board of Education of Steubenville City School District approved a Tax Increment Financing Agreement (TIF) with the City of Steubenville. The purpose of the TIF is economic development, and infrastructure improvements benefitting the public. The TIF agreement is for a thirty year period effective December 3, 2015. As of June 30, 2023, a receivable for \$28,704 has been recorded which represents the payment anticipated for fiscal year 2023.

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**NOTE 8 – INTERNAL BALANCES AND TRANSFERS**

*Transfers*

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

<u>Transfer from</u>	Transfer to		<u>Total</u>
	Non-major Debt Service	Other Non-major Governmental	
General Fund	\$212,500	\$7,041	\$219,541

Transfers were used to move receipts from the General Fund to the Debt Service Fund for the annual debt service sinking payments to the QZAB debt service escrow accounts and for annual debt service principal payment for the 2014 and 2016 QZAB. See Long-Term Obligations Note 15 for further details. The General Fund also provided resources to the Student Activities Fund.

**NOTE 9 - CAPITAL ASSETS**

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

	Balance 6/30/22	Additions	Deletions	Balance 6/30/23
Nondepreciable Capital Assets:				
Land	\$5,836,929	\$0	\$0	\$5,836,929
Construction in Progress	2,105,231	7,461,408	(1,233,410)	8,333,229
Total Nondepreciable Capital Assets	7,942,160	7,461,408	(1,233,410)	14,170,158
Depreciable Capital Assets:				
Land Improvements	4,429,118	3,211,848	0	7,640,966
Buildings and Improvements	65,279,282	1,334,263	0	66,613,545
Furniture and Equipment	6,211,876	283,356	0	6,495,232
Vehicles	1,534,196	106,753	(12,065)	1,628,884
Total Depreciable Capital Assets	77,454,472	4,936,220	(12,065)	82,378,627
Accumulated Depreciation:				
Land Improvements	(1,650,577)	(181,835)	0	(1,832,412)
Buildings and Improvements	(30,215,956)	(1,708,753)	0	(31,924,709)
Furniture and Equipment	(3,667,255)	(330,871)	0	(3,998,126)
Vehicles	(961,033)	(88,332)	12,065	(1,037,300)
Total Accumulated Depreciation	(36,494,821)	(2,309,791)	12,065	(38,792,547)
Total Depreciable Capital Assets, Net	40,959,651	2,626,429	0	43,586,080
Governmental Capital Assets, Net	\$48,901,811	\$10,087,837	(\$1,233,410)	\$57,756,238

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
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Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$925,681
Special	187,963
Vocational	129,873
Support Services:	
Pupil	56,672
Instructional Staff	164,757
Administration	223,755
Fiscal	17,088
Operation of Maintenance and Plant	415,404
Pupil Transportation	69,291
Extracurricular	84,039
Food Service Operations	35,268
Total Depreciation Expense	<u><u>\$2,309,791</u></u>

**NOTE 10 - RISK MANAGEMENT**

***Property and Liability***

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023, the School District contracted with Schools of Ohio Risk Sharing Authority (SORSA), an insurance purchasing pool for property, general liability, and auto insurance. See Note 17 for further details. Coverages provided are as follows.

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<i>Property:</i>	
Building and Business Personal Property	\$350,000,000
Earth Movement (\$50,000 Deductible)	10,000,000
Flood Coverage (\$50,000 Deductible)	10,000,000
<i>Crime:</i>	
Employee Theft, Forgery or Altercation	1,000,000
Computer Crime	1,000,000
Computer Program and Electronic Data Restoration Expense	350,000
Funds Transfer Fraud	1,000,000
Social Engineering Fraud	1,000,000
Telecommunication Fraud	200,000
Accounts Receivable	1,000,000
Errors and Omissions	2,500,000
Automobile Physical Damage	10,000,000
Electronic Data Processing Equipment Data and Media	350,000,000
Mobile Equipment	350,000,000
<i>General Liability:</i>	
Bodily Injury and Property Damage	15,000,000
Personal Injury/Advertising Liability	15,000,000
Employers Stop Gap Liability	15,000,000
<i>Educators' Legal Liability:</i>	
Wrongful Acts	15,000,000
Employee Benefits Liability	15,000,000
<i>Automobile Liability:</i>	
Bodily Injury and Property Damage	15,000,000
Medical Payments, per Person/each Accident	10,000/25,000
Uninsured Motorist	1,000,000

Settled claims have not exceeded this 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 17). 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. CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP.

***Employee Benefits***

Medical/surgical, prescription drug, life and dental insurance 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, comprised 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 (Note 17). The medical/surgical and dental coverage is based on a usual, customary, and reasonable claim plan. There is a \$200 annual deductible per single or \$400 annual deductible per family for the medical portion of the coverage. There is a \$25 annual deductible per single or \$50 annual deductible per family for the dental portion of the coverage. The monthly premium for medical/surgical, prescription drug, and dental insurance coverage is

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\$1,065.87 for single plans and \$2,483.92 for family plans. Employees contribute \$20 a month towards the medical/surgical coverage for a single plan, and \$45 a month for a family plan. The Board pays the remaining balance of the medical/surgical coverage, as well as 100 percent of the premium related to prescription drug, and dental coverage. The premium is paid from the fund that pays the salary of the covered employee.

The claims liability of \$518,989 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 for the past fiscal year are as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2022	\$519,725	\$4,298,621	\$4,164,892	\$653,454
2023	653,454	3,818,671 (1)	3,953,136 (2)	518,989
(1) Claims Expense		\$3,687,291		
+ Stop Loss Receivable		131,380		
Current Year Claims		\$3,818,671		
(2) Cash Payments for Claims			\$4,492,200	
- Stop Loss Received for 2023 Claims			539,064	
Claim Payments			\$3,953,136	

**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

**Staubenville City School District**  
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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](http://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

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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 \$415,271 for fiscal year 2023. Of this amount, \$64,344 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](http://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

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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 \$1,805,272 for fiscal year 2023. Of this amount, \$284,392 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	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.07555520%	0.09588294%	
Prior Measurement Date	0.08008040%	0.09827958%	
Change in Proportionate Share	-0.00452520%	-0.00239664%	
			Total
Proportionate Share of the Net:			
Pension Liability	\$4,086,614	\$21,314,899	\$25,401,513
Pension Expense	\$253,536	\$2,625,538	\$2,879,074

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$165,511	\$272,858	\$438,369
Changes of assumptions	40,323	2,550,753	2,591,076
Net difference between projected and actual earnings on pension plan investments	0	741,712	741,712
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	50,524	679,810	730,334
School District contributions subsequent to the measurement date	<u>415,271</u>	<u>1,805,272</u>	<u>2,220,543</u>
Total Deferred Outflows of Resources	<u>\$671,629</u>	<u>\$6,050,405</u>	<u>\$6,722,034</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$26,827	\$81,536	\$108,363
Changes of assumptions	0	1,919,984	1,919,984
Net difference between projected and actual earnings on pension plan investments	142,604	0	142,604
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>169,007</u>	<u>406,693</u>	<u>575,700</u>
Total Deferred Inflows of Resources	<u>\$338,438</u>	<u>\$2,408,213</u>	<u>\$2,746,651</u>

\$2,220,543 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2024	(\$18,366)	\$249,110	\$230,744
2025	(96,985)	41,021	(55,964)
2026	(203,714)	(614,888)	(818,602)
2027	<u>236,985</u>	<u>2,161,677</u>	<u>2,398,662</u>
Total	<u>(\$82,080)</u>	<u>\$1,836,920</u>	<u>\$1,754,840</u>

***Actuarial Assumptions - SERS***

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment

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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 COLA or Ad Hoc COLA	3.25 percent to 13.58 percent 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.

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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
<b>Total</b>	<b>100.00 %</b>	

**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:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School District's proportionate share of the net pension liability	\$6,015,299	\$4,086,614	\$2,461,721

**Actuarial Assumptions – STRS**

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

	<u>June 30, 2022</u>
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

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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:

<u>Asset Class</u>	<u>Target Allocation *</u>	<u>Long-Term Expected Rate of Return **</u>
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	<u>1.00</u>	1.00
Total	<u>100.00%</u>	

\* 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.

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***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	\$32,199,052	\$21,314,899	\$12,110,274

***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, one Board Member has 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.

***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](http://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

**Staubenville City School District**  
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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 \$52,054.

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 \$52,054 for fiscal year 2023; all are 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](http://www.strsoh.org) or by calling (888) 227-7877.

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

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

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

	SERS	STRS	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.07683500%	0.09588294%	
Prior Measurement Date	0.08191680%	0.09827958%	
Change in Proportionate Share	-0.00508180%	-0.00239664%	
			Total
Proportionate Share of the:			
Net OPEB Liability	\$1,078,771	\$0	\$1,078,771
Net OPEB (Asset)	\$0	(\$2,482,729)	(\$2,482,729)
OPEB Expense	(\$106,113)	(\$416,965)	(\$523,078)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$9,068	\$35,990	\$45,058
Changes of assumptions	171,592	105,756	277,348
Net difference between projected and actual earnings on OPEB plan investments	5,607	43,218	48,825
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	112,096	49,591	161,687
School District contributions subsequent to the measurement date	<u>52,054</u>	<u>0</u>	<u>52,054</u>
Total Deferred Outflows of Resources	<u><u>\$350,417</u></u>	<u><u>\$234,555</u></u>	<u><u>\$584,972</u></u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$690,061	\$372,858	\$1,062,919
Changes of assumptions	442,844	1,760,494	2,203,338
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>205,525</u>	<u>16,218</u>	<u>221,743</u>
Total Deferred Inflows of Resources	<u><u>\$1,338,430</u></u>	<u><u>\$2,149,570</u></u>	<u><u>\$3,488,000</u></u>

\$52,054 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2024	(\$249,386)	(\$538,996)	(\$788,382)
2025	(224,612)	(566,034)	(790,646)
2026	(181,399)	(262,512)	(443,911)
2027	(121,265)	(109,544)	(230,809)
2028	(94,790)	(144,597)	(239,387)
Thereafter	<u>(168,615)</u>	<u>(293,332)</u>	<u>(461,947)</u>
Total	<u><u>(\$1,040,067)</u></u>	<u><u>(\$1,915,015)</u></u>	<u><u>(\$2,955,082)</u></u>

**Actuarial Assumptions - SERS**

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

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

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

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

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

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

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

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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	\$1,339,850	\$1,078,771	\$868,010

  

	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	\$831,926	\$1,078,771	\$1,401,191

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**Actuarial Assumptions – STRS**

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

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

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

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

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

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

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

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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**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	(\$2,295,217)	(\$2,482,729)	(\$2,643,348)
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$2,575,193)	(\$2,482,729)	(\$2,366,014)

**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 earn ten to twenty 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 245 days for all employees. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 60 days for all employees.

***Other Insurance Benefits***

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Consumer Life Insurance Company in the amount of \$25,000 per employee. The monthly premium is \$3.75 and the School District pays 100 percent of the premium. In addition, the School District provides vision insurance through Vision Service Plan at a cost of \$12.11 for single coverage and \$27.01 for family coverage per month.

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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**NOTE 14 - 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 year end the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

Major Funds:	
General	\$4,021,335
Building Fund	3,000,000
Permanent Improvement	600,621
ESSER	5,394,778
Other Non-Major Governmental Funds	778,310
Total	\$13,795,044

***Construction Commitment***

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

Project	Funds	Commitment	Amount Completed	Amount Remaining
STEM Building Project	**	\$17,578,574	\$8,051,004	\$9,527,570

\*\* The STEM Building Project is being financed from a variety of School District resources, including those of the General Fund, the Permanent Improvement Capital Projects Fund, the Elementary and Secondary Schools Emergency Relief (ESSER) Special Revenue Fund, and Building Capital Projects Fund.

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**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

**NOTE 15 - LONG - TERM OBLIGATIONS**

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

	Principal Outstanding 6/30/22	Additions	Deductions	Principal Outstanding 6/30/23	Amounts Due In One Year
<b>2011 Refunding Bonds, \$2,090,000</b>					
Serial Bonds, \$2,015,000 @ 1.0%-3.70%	\$230,000	\$0	\$230,000	\$0	\$0
Premium - \$144,324	12,027	0	12,027	0	0
<b>Total General Obligation Bonds</b>	<b>242,027</b>	<b>0</b>	<b>242,027</b>	<b>0</b>	<b>0</b>
<b>Qualified Zone Academy Bonds (QZAB):</b>					
2007 QZAB, \$700,000 @ 0%	700,000	0	700,000	0	0
2014 QZAB, \$2,750,000 @ 0%	1,650,000	0	137,500	1,512,500	137,500
2016 QZAB, \$1,500,000 @ 0%	1,050,000	0	75,000	975,000	75,000
<b>Total Bonds from direct borrowing and direct placements</b>	<b>3,400,000</b>	<b>0</b>	<b>912,500</b>	<b>2,487,500</b>	<b>212,500</b>
<b>Financed Purchase from Direct Borrowing</b>	<b>0</b>	<b>3,000,000</b>	<b>123,393</b>	<b>2,876,607</b>	<b>254,356</b>
<b>Compensated Absences</b>	<b>1,576,482</b>	<b>247,293</b>	<b>318,684</b>	<b>1,505,091</b>	<b>69,030</b>
<i>Other Long-Term Obligations</i>					
<b>Net Pension Liability</b>					
SERS	2,954,735	1,131,879	0	4,086,614	0
STRS	12,565,927	8,748,972	0	21,314,899	0
<b>Total Net Pension Liability</b>	<b>15,520,662</b>	<b>9,880,851</b>	<b>0</b>	<b>25,401,513</b>	<b>0</b>
<b>SERS Net OPEB Liability</b>	<b>1,550,343</b>	<b>0</b>	<b>471,572</b>	<b>1,078,771</b>	<b>0</b>
<b>Total Long-Term Obligations</b>	<b>\$22,289,514</b>	<b>\$13,128,144</b>	<b>\$2,068,176</b>	<b>\$33,349,482</b>	<b>\$535,886</b>

**2011 Refunding General Obligation Bonds** - On May 19, 2011, the School District issued \$2,090,000 of general obligation bonds. The bonds were issued to fully refund \$435,000 of outstanding 1993 Steubenville High School Addition and Improvement Series A General Obligation Bonds and to partially refund \$1,655,000 of 2000 School Facilities General Obligation Bonds. The bonds were issued for a 12 year period with final maturity at December 1, 2022. At the date of refunding, \$2,166,484 (including premium and after underwriting fees, and other issuance costs) was used to call and fully repay all refunded bonds.

As part of the original 2000 School Facilities General Obligation Bond Issue, the School District also passed a half-mill levy for the maintenance of the new building. The final year of collections for the half-mill levy was 2018.

These refunding bonds were issued with a premium of \$144,324, which is reported as an increase to bonds payable and is being amortized to interest expense over the life of the bonds using the straight-line method.

The 2011 bond issue consists of serial and capital appreciation bonds, \$2,015,000, and \$75,000, respectively. The capital appreciation bonds for this issue matured December 1, 2016 and were fully retired during fiscal year 2017. The serial general purpose bonds for this issue matured December 1, 2022 and were fully retired during fiscal year 2023.

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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**2007 Qualified Zone Academy Bonds** – On August 17, 2007, the School District issued \$700,000 qualified zone academy bonds (QZAB), in accordance with Section 226 of the Taxpayer Relief Act of 1997 (Public Law 105-34), for use as the School District’s locally funded portion of renovations of the High School theater/auditorium through the Ohio School Facilities Commission. The QZAB matures in 2022, with the entire principal balance coming due at maturity. The QZAB does not bear interest. To satisfy fiscal agent requirements of the program, the School District placed \$175,000 in a debt service sinking fiscal agent account for future payment of the bonds with US Bank, the fiscal agent. The fiscal agent account will be invested with all of the proceeds to be used for the final payoff of the bonds in 2022. Along with the investment earnings of the fiscal agent account, the School District was required to place \$21,932 annually into the debt service sinking fiscal agent account that was for the final bond repayment in during fiscal year 2023.

**2014 Qualified Zone Academy Bonds** – On May 29, 2014, the School District issued \$2,750,000 qualified zone academy bonds (QZAB), in accordance with Section 226 of the Taxpayer Relief Act of 1997 (Public Law 105-34), to be used to fund Electro Retro Fit projects throughout the School District and the SCS STEM Education Academy. Unlike the previously issued QZAB’s, the bonds come due annually and are subject to annual debt service requirements. The QZAB does not bear interest.

**2016 Qualified Zone Academy Bonds** – On May 1, 2016, the School District issued \$1,500,000 qualified zone academy bonds (QZAB), in accordance with Section 226 of the Taxpayer Relief Act of 1997 (Public Law 105-34), to be used to fund Electro Retro Fit projects at the Harding Middle School, and renovations to, and equipping of the SCS STEM Education Academy. Similar to the 2014 QZAB, the bonds come due annually and are subject to annual debt service requirements. The QZAB does not bear interest.

The annual debt service principal requirements of the 2014 and 2016 QZAB issues outstanding at June 30, 2023 are as follows.

Fiscal Year	2014 QZAB Principal	2016 QZAB Principal	Total
2024	\$137,500	\$75,000	\$212,500
2025	137,500	75,000	212,500
2026	137,500	75,000	212,500
2027	137,500	75,000	212,500
2028	137,500	75,000	212,500
2029-2034	687,500	375,000	1,062,500
2035-2036	137,500	225,000	362,500
Totals	\$1,512,500	\$975,000	\$2,487,500

**Financed Purchase** During fiscal year 2023, the City School District entered into a financed purchase agreement for additional funding of the construction a STEM Building, as a direct borrowing through the Infrastructure Bank of the Jefferson Health Plan.

Whenever any event of default shall have occurred and be continuing, the Jefferson Health Plan shall, in addition to any other remedies in the agreement or by law provided, have the right, without any further demand or notice, to take such steps and exercise such remedies including, without limitation, one or more of the following:

- a) Upon thirty (30) 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 project to the Jefferson Health Plan or, at the Jefferson Health Plan's option, enter upon the project site and take immediate possession of and remove any or all of the project;

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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- b) Upon thirty (30) days prior written notice to the School District, sell or lease the project, and hold the School District liable for all applicable lease payments and other payments due during the then-current term; and
- c) Exercise any other right, remedy or privilege that may be available to it under the agreement, and any applicable law, or proceed by appropriate court action to enforce the terms of the agreement to recover damages for the breach of the agreement.

Future financed purchase payments through fiscal year 2033 are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$254,356	\$114,305	\$368,661
2025	264,794	103,867	368,661
2026	275,660	93,000	368,660
2027	286,973	81,688	368,661
2028	298,750	69,911	368,661
2029 - 2023	<u>1,496,074</u>	<u>10,136</u>	<u>1,506,210</u>
Total	<u>\$2,876,607</u>	<u>\$472,907</u>	<u>\$3,349,514</u>

Financed purchase payments are reflected as debt service expenditures in the fund financial statements. Finance purchase payments will be made from the General Fund.

The School District's overall legal debt margin was \$17,764,648 with an unvoted debt margin of \$193,606 at June 30, 2023.

**Compensated Absences** will be paid from the General Fund.

**Net Pension/OPEB Liability** - There is no repayment schedule for the net pension/OPEB liability. However, employer pension contributions are made from the following funds: General, Food Service Special Revenue, Miscellaneous State Grants Special Revenue, Title I Special Revenue, and Miscellaneous Federal Grants Special Revenue. For additional information related to the net pension/OPEB liability, see Note 11 and 12.

**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS**

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

*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 (Council). 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 exercised total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each participant’s 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 \$62,452 for technology services, financial

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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accounting services, and educational management information. The Jefferson County Educational Service Center serves as the fiscal agent. 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 over 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 Coalition 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 exercised total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the Board. The School District's membership fee was \$325 for fiscal year 2023.

**NOTE 17 - PUBLIC ENTITY POOLS**

***Insurance Purchasing Pool***

*Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP)* – The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating 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 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.

*Schools of Ohio Risk Sharing Authority (SORSA)* – The School District participates in the Schools of Ohio Risk Sharing Authority (SORSA), a protected self-insurance purchasing pool under the authority of Ohio Revised Code 2744. One hundred twenty one school districts, educational service centers, and joint vocational school districts participate in the SORSA. SORSA is governed by a board of trustees elected by members. Member school districts agree to jointly participated in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by SORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance, and public official's errors and omissions liability insurance.

***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,

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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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. The plan also purchases fully insured life insurance for plan participants.

**NOTE 18 - 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 year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years.

Effective April 10, 2001, through Amended Substitute Senate Bill 345, the requirement for school districts to establish and appropriate money for the budget stabilization was deleted from law. A school district may still establish reserve balance accounts consistent with Section 5705.13, Revised Code, if it so chooses; however, the requirement is no longer mandatory. In addition, any money on hand in a school district's budget reserve set-aside as of April 10, 2001, may at the discretion of the Board be returned to the District's General Fund or may be left in the account and used by the board to offset any budget deficit the district may experience in future years. The bill placed special conditions on any Bureau of Workers' Compensation monies remaining in the budget reserve.

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

	Capital Improvements	Budget Stabilization
Set-aside Restricted Balance as of June 30, 2022	\$0	\$85,496
Current Year Set-aside Requirement	538,247	0
Current Year Offsets	(29,425)	0
Current Year Qualifying Expenditures	(704,778)	0
Totals	(\$195,956)	\$85,496
Balance Carried Forward to Fiscal Year 2024	\$0	\$0
Set-aside Restricted Balance as of June 30, 2023	\$0	\$85,496

The School District had offsets and qualifying expenditures during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside which may not be carried forward to future years. The School District also had prior year and current year capital expenditures from debt proceeds in connection with a capital project that may be carried forward to offset future set-aside requirements. The total restricted balance for the set asides at June 30, 2023 was \$85,496.

**NOTE 19 - CONTINGENCIES**

***Litigation***

The School District is currently not party to legal proceedings.

**Steubenville City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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***Grants***

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

***State Foundation Funding***

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2023 have been finalized, which did not result in a material receivable to, or a liability of, the School District.

**NOTE 20 - COVID-19**

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

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## **Required Supplementary Information**

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

	2023	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.07555520%	0.08008040%	0.07648450%	0.07319220%
School District's Proportionate Share of the Net Pension Liability	\$4,086,614	\$2,954,735	\$5,058,845	\$4,379,218
School District's Covered Payroll	\$2,822,407	\$2,764,171	\$2,601,564	\$2,513,444
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	144.79%	106.89%	194.45%	174.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
0.07412980%	0.08226490%	0.80581600%	0.07820830%	0.06922000%	0.06922000%
\$4,245,552	\$4,915,146	\$5,897,845	\$4,462,640	\$3,503,184	\$4,116,291
\$2,472,304	\$2,660,471	\$2,502,571	\$2,354,469	\$2,011,385	\$2,007,962
171.72%	184.75%	235.67%	189.54%	174.17%	205.00%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

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

	2023	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.09588294%	0.09827958%	0.09550581%	0.09200059%
School District's Proportionate Share of the Net Pension Liability	\$21,314,899	\$12,565,927	\$23,109,008	\$20,345,377
School District's Covered Payroll	\$12,756,857	\$12,011,479	\$11,881,150	\$10,526,793
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	167.09%	104.62%	194.50%	193.27%
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 the required supplementary information.

2019	2018	2017	2016	2015	2014
0.08937066%	0.09073598%	0.08606222%	0.08438414%	0.08705089%	0.08705089%
\$19,650,602	\$21,554,527	\$28,807,620	\$23,321,309	\$21,173,790	\$25,222,079
\$10,064,907	\$10,064,907	\$9,038,357	\$8,650,279	\$8,802,254	\$8,873,264
195.24%	214.16%	318.73%	269.60%	240.55%	284.25%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

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

	2023	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.07683500%	0.08191680%	0.07880180%	0.07478840%	0.07533100%	0.08304790%	0.81688400%
School District's Proportionate Share of the Net OPEB Liability	\$1,078,771	\$1,550,343	\$1,712,621	\$1,880,771	\$2,089,884	\$2,228,787	\$2,328,422
School District's Covered Payroll	\$2,822,407	\$2,764,171	\$2,601,564	\$2,513,444	\$2,472,304	\$2,660,471	\$2,502,571
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	38.22%	56.09%	65.83%	74.83%	84.53%	83.77%	93.04%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

(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.

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

	2023	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB (Asset) Liability	0.09588294%	0.09827958%	0.09550581%	0.09200059%	0.08937066%	0.09073598%	0.08606222%
School District's Proportionate Share of the Net OPEB (Asset) Liability	(\$2,482,729)	(\$2,072,145)	(\$1,678,512)	(\$1,523,752)	(\$1,436,095)	\$3,540,183	\$4,602,630
School District's Covered Payroll	\$12,756,857	\$12,011,479	\$11,881,150	\$10,548,286	\$10,526,793	\$10,064,907	\$9,038,357
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-19.46%	-17.25%	-14.13%	-14.45%	-13.64%	35.17%	50.92%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	230.70%	174.70%	182.10%	174.70%	176.00%	47.10%	37.30%

(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.

**Steubenville City School District**  
*Required Supplementary Information*  
*Schedule of School District Contributions*  
*School Employees Retirement System of Ohio*  
*Last Ten Fiscal Years*

	2023	2022	2021	2020
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$415,271	\$395,137	\$386,984	\$364,219
Contributions in Relation to the Contractually Required Contribution	<u>(415,271)</u>	<u>(395,137)</u>	<u>(386,984)</u>	<u>(364,219)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$2,966,221	\$2,822,407	\$2,764,171	\$2,601,564
Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution (2)	\$52,054	\$48,025	\$49,592	\$47,945
Contributions in Relation to the Contractually Required Contribution	<u>(52,054)</u>	<u>(48,025)</u>	<u>(49,592)</u>	<u>(47,945)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.75%</u>	<u>1.70%</u>	<u>1.79%</u>	<u>1.84%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.75%</u>	<u>15.70%</u>	<u>15.79%</u>	<u>15.84%</u>

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

(2) Includes Surcharge

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
\$339,315	\$333,761	\$372,466	\$350,360	\$310,319	\$278,778
(339,315)	(333,761)	(372,466)	(350,360)	(310,319)	(278,778)
\$0	\$0	\$0	\$0	\$0	\$0
\$2,513,444	\$2,472,304	\$2,660,471	\$2,502,571	\$2,354,469	\$2,011,385
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%
\$57,188	\$53,620	\$43,265	\$41,453	\$61,045	\$38,176
(57,188)	(53,620)	(43,265)	(41,453)	(61,045)	(38,176)
\$0	\$0	\$0	\$0	\$0	\$0
2.28%	2.17%	1.63%	1.66%	2.59%	1.90%
15.78%	15.67%	15.63%	15.66%	15.77%	15.76%

**Steubenville City School District**  
*Required Supplementary Information*  
*Schedule of School District Contributions*  
*State Teachers Retirement System of Ohio*  
*Last Ten Fiscal Years*

	2023	2022	2021	2020
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$1,805,272	\$1,785,960	\$1,681,607	\$1,663,361
Contributions in Relation to the Contractually Required Contribution	<u>(1,805,272)</u>	<u>(1,785,960)</u>	<u>(1,681,607)</u>	<u>(1,663,361)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$12,894,800	\$12,756,857	\$12,011,479	\$11,881,150
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
\$1,476,760	\$1,473,751	\$1,409,087	\$1,265,370	\$1,211,039	\$1,144,293
<u>(1,476,760)</u>	<u>(1,473,751)</u>	<u>(1,409,087)</u>	<u>(1,265,370)</u>	<u>(1,211,039)</u>	<u>(1,144,293)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$10,548,286	\$10,526,793	\$10,064,907	\$9,038,357	\$8,650,279	\$8,802,254
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>
\$0	\$0	\$0	\$0	\$0	\$88,023
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(88,023)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>1.00%</u>
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

**Stuebenville City School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

**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 below:

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

**Steubenville City School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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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:

**Steubenville City School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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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.

**Steubenville City School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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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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**STEUBENVILLE CITY SCHOOL DISTRICT  
JEFFERSON COUNTY**

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

FEDERAL GRANTOR/ Pass Through Grantor Program Title	Federal AL Number	Expenditures	Non-Cash Expenditures
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Education:</i>			
<i>Nutrition Cluster:</i>			
<i>Non-Cash Assistance (Food Distribution):</i>			
National School Lunch Program	10.555		\$142,440
<i>Cash Assistance:</i>			
School Breakfast Program	10.553	\$769,752	
Total School Breakfast Program		<u>769,752</u>	
National School Lunch Program	10.555	944,488	
COVID-19 National School Lunch Program	10.555	74,009	
Total National School Lunch Program		<u>1,018,497</u>	
Nutrition Cluster Total (Cash and Non-Cash)		<u>1,788,249</u>	<u>142,440</u>
Total U.S. Department of Agriculture		<u>1,788,249</u>	<u>142,440</u>
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Ohio Department of Education:</i>			
Title 1 Grants to Local Educational Agencies	84.010	1,189,070	
Title 1 Expanding Opportunities for Each Child School Improvement Grant	84.010A	<u>68,542</u>	
Title I Total		1,257,612	
<i>Special Education Cluster:</i>			
Special Education - Grants to States (IDEA, Part B)	84.027	748,554	
COVID 19 - Special Education - Grants to States (IDEA, Part B)	84.027	6,519	
Special Education - Preschool Grants (IDEA Preschool)	84.173	<u>14,981</u>	
Special Education Cluster Total		770,054	
Supporting Effective Instruction State Grants (Title II-A)	84.367	115,004	
Student Support and Academic Enrichment Program	84.424	86,735	
Education Stabilization Fund (ESF) Under the Coronavirus Aid, Relief, and Economic Security Act			
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II)	84.425D	3,450,882	
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER III)	84.425U	<u>3,962,175</u>	
Total Elementary and Secondary School Emergency Relief		<u>7,413,057</u>	
COVID-19 - Elementary and Secondary School Emergency Relief (Homeless Children and Youth)	84.425W	2,913	
Total Passed Through Ohio Department of Education:		9,645,375	
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>			
<i>Direct Program</i>			
School Climate Transformation Grants	84.184G	379,803	
Total U.S. Department of Education		<u>10,025,178</u>	
<b>Totals</b>		<u><u>\$11,813,427</u></u>	<u><u>\$142,440</u></u>

*The accompanying notes are an integral part of this schedule.*

**STEUBENVILLE CITY SCHOOL DISTRICT  
JEFFERSON COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Steubenville City School District (the 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 District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained 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 District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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

**NOTE F – NUTRITION CLUSTER**

The amount reported on the District's federal schedule in fiscal year 2022 was overstated by \$452,234 for AL# 10.555. This amount is included on the current year federal schedule as the carryover amount for AL# 10.555. In 2022, the District had federal receipts that were greater than expenditures in the amount totaling \$452,234.



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

Steubenville City School District  
Jefferson County  
611 North 4<sup>th</sup> Street  
Steubenville, Ohio 43952

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 Steubenville City School District, Jefferson County, (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 25, 2024. We noted the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the District.

***Report on Internal Control Over Financial Reporting***

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

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

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

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

March 25, 2024



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

**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**

Steubenville City School District  
Jefferson County  
611 North 4<sup>th</sup> Street  
Steubenville, Ohio 43952

To the Board of Education:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

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

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of the 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 District's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

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

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio

March 25, 2024

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**STEUBENVILLE CITY SCHOOL DISTRICT  
JEFFERSON COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2023**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	AL # 84.425 – ESSER AL # 84.010 – Title I
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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# OHIO AUDITOR OF STATE KEITH FABER



**STEUBENVILLE CITY SCHOOL DISTRICT**

**JEFFERSON COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 3/28/2024**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)