



***BLOOM-VERNON LOCAL SCHOOL DISTRICT***

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**SCIOTO COUNTY**

**SINGLE AUDIT**

**For the Fiscal Year Ended June 30, 2023**

**J.L. UHRIG**  
AND ASSOCIATES INC.

CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Education  
Bloom Vernon Local School District  
PO Box 237  
South Webster, OH 45682

We have reviewed the *Independent Auditor's Report* of the Bloom Vernon Local School District, Scioto County, prepared by J.L. Uhrig and Associates, Inc., for the audit period July 1, 2022 through June 30, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Bloom Vernon Local School District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

January 26, 2024

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*For the Fiscal Year Ended June 30, 2023*

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## Independent Auditor's Report

Board of Education  
Bloom-Vernon Local School District  
P.O. Box 237  
South Webster, OH 45682

### *Report on Audit of the Financial Statements*

#### *Opinions*

We have audited the financial statements of the Bloom-Vernon Local School District, Scioto County, Ohio (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 as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Bloom-Vernon Local School District, Scioto County, Ohio as of June 30, 2023, the respective changes in financial position, and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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 Bloom-Vernon Local School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Emphasis of Matter*

As discussed in Note 21 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 this matter.

***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 controls 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 an opinion 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2023, 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.

***J. L. Uhrig and Associates, Inc.***

J. L. UHRIG AND ASSOCIATES, INC.  
Chillicothe, Ohio

December 12, 2023

**Bloom Vernon Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

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

### **Financial Highlights**

Key financial highlights for 2023 are as follows:

- In fiscal year 2023, the School District's Net Position increased \$1,244,912.
- Program revenues increased \$1,059,091 which was the result of the School District receiving \$1,350,526 in capital grants its Air Dome capital project.

### **Using the Basic Financial Statements**

This report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Bloom-Vernon Local School District as a financial whole, an entire operating entity.

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

### **Reporting the School District as a Whole**

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2023?" The Statement of Net Position and the Statements of Activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These government-wide financial statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in net position. The 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. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the School District's property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

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

#### Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds.

*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

**Bloom Vernon Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statements of Activities) and governmental funds is reconciled in the financial statements.

**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 District's net position for fiscal years 2023 and 2022:

Table 1  
Net Position

	2023	2022
Assets:		
Current and Other Assets	\$12,778,377	\$13,843,995
Capital Assets, Net	14,488,652	12,005,502
Total Assets	27,267,029	25,849,497
 Deferred Outflows of Resources	 2,873,739	 2,910,306
Liabilities:		
Current and Other Liabilities	1,404,326	1,362,055
Long-Term Liabilities	12,293,348	8,473,930
Total Liabilities	13,697,674	9,835,985
 Deferred Inflows of Resources	 4,540,717	 8,266,353
Net Position:		
Net Investment in Capital Assets	14,348,015	11,686,943
Restricted	573,425	665,948
Unrestricted (Deficit)	(3,019,063)	(1,695,426)
Total Net Position	\$11,902,377	\$10,657,465

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

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return

**Bloom Vernon Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

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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 \$1,417,532 when compared to the prior fiscal year. Current assets decreased \$1,065,618, mainly due to a decrease in intergovernmental receivables, due to a decrease in reimbursable expenses incurred by year-end, as well as a decrease in cash used for the Air Dome Project. This project was the primary reason for the increase in Capital Assets, Net of \$2,483,150.

Total liabilities increased \$3,861,689, mainly due to an increase in net pension liability due to the State-wide pension systems' changes in assumptions and benefit terms.

Total net position increased \$1,244,912, due primarily to an increase in net investment in capital assets, which was partially offset by a decrease in Unrestricted Net Position of \$1,323,637, which is primarily due to net pension/OPEB liability changes.

Table 2 shows the highlights of the School District's revenues and expenses for fiscal years 2022 and 2023. These two main components are subtracted to yield the change in net position. This table uses the full accrual method of accounting.

Revenue is further divided into two major components: Program Revenues and General Revenues. Program Revenues are defined as charges for services and sales and operating grants, contributions, and interest. General Revenues include property taxes, unrestricted grants, such as State foundation support, unrestricted contributions and donations, investment earnings, miscellaneous revenues and gain on sale of capital assets.

Expenses are shown in programs that are easily identifiable utilizing the current Uniform School Accounting System (USAS) coding structure.

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

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**Bloom Vernon Local School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2023  
Unaudited

Table 2  
Change in Net Position

	2023	2022
Revenues		
Program Revenues:		
Charges for Services and Sales	\$354,865	\$333,947
Operating Grants and Contributions	2,400,695	2,713,048
Capital Grants and Contributions	1,350,526	0
Total Program Revenues	4,106,086	3,046,995
General Revenues:		
Property Taxes	2,112,815	1,868,721
Grants and Entitlements Not Restricted to Specific Programs	8,378,645	8,825,531
Unrestricted Gifts and Donations	1,000	1,000
Investment Earnings	3,577	(179,125)
Miscellaneous	163,038	103,947
Total General Revenues	10,659,075	10,620,074
Total Revenues	13,414,635	13,667,069
Program Expenses:		
Instruction:		
Regular	5,466,248	5,314,074
Special	2,047,984	1,796,305
Student Intervention Services	3,818	38,702
Other	456,717	0
Support Services:		
Pupils	616,813	427,257
Instructional Staff	413,711	382,903
Board of Education	66,146	71,851
Administration	1,071,148	867,897
Fiscal	294,903	247,216
Business	26,613	23,187
Operation and Maintenance of Plant	1,299,260	1,455,405
Pupil Transportation	774,127	1,162,464
Central	4,803	4,155
Operation of Non-Instructional Services	612,557	677,227
Extracurricular Activities	355,998	333,836
Debt Service:		
Interest on Long-Term Debt	9,403	16,642
Total Expenses	13,520,249	12,819,121
Change in Net Position	1,244,912	847,948
Net Position at Beginning of Year	10,657,465	9,809,517
Net Position at End of Year	\$11,902,377	\$10,657,465

**Governmental Activities**

Total program revenues increased \$1,059,091 compared to fiscal year 2022. The increase is due to mainly to \$1,350,526 in capital grants and contributions. General revenues were \$10,659,075 of total revenues for fiscal year 2023 and were slightly higher than the prior fiscal year. This is mainly due to an increase in property tax revenue

**Bloom Vernon Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

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and a similar decrease in unrestricted grants and entitlements. Overall, expenses increased \$701,128 mainly due to an increase in pension and OPEB expenses.

### **The School District's Funds**

The School District's funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$15,165,226 and expenditures of \$16,107,723.

The net change in fund balance for the fiscal year in the General Fund was a decrease of \$1,260,931. Fund balance decreased mainly due to expenditures outpacing revenues, due primarily to an increase in capital outlay expenditures for the Air Dome project.

The net change in fund balance for the fiscal year in the ESSER Fund was an increase of \$66,067. Fund balance increased mainly due to more timely reimbursements received on to cover incurred expenditures for the ESSER grant programs.

The School District also monitors expenditures during the fiscal year as changes in revenues occur.

### **Budget 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 revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. The General Fund had original revenue budget estimates of \$11,267,499. The original budget estimates increased to a final budget amount of \$11,846,784 for the fiscal year. The majority of this increase was associated with property taxes and advances in. The total increase in expenditures from the original to the final budget was \$2,883,100. There was an increase of \$212,864 in actual expenditures made as compared to the final budget. The School District's ending General Fund balance was \$8,371,163.

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

#### Capital Assets

At the end of fiscal year 2023, the School District had \$14,488,652 invested in land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles, and textbooks. The increase of \$2,483,150 was primarily due to the Air Supported (Dome) Project's construction in progress. See note 9 of the notes to the basic financial statements for more detailed information.

#### Debt

The School District did not have any outstanding debt obligations at June 30, 2023. See note 14 of the notes to the basic financial statements for information on other long-term obligations.

### **Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact Ty Roberts, Treasurer, at Bloom Vernon Local School District, 10529 Main Street, South Webster, Ohio 45682 or e-mail at [ty.roberts@bvjeeps.org](mailto:ty.roberts@bvjeeps.org).

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**Bloom Vernon Local School District**  
*Statement of Net Position*  
*As of June 30, 2023*

	Governmental Activities
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$9,249,003
Inventory Held for Resale	3,597
Materials and Supplies Inventory	697
Accrued Interest Receivable	7,029
Accounts Receivable	2,473
Intergovernmental Receivable	147,346
Prepaid Items	30,747
Property Taxes Receivable	2,405,993
Net OPEB Asset	931,492
Nondepreciable Capital Assets	2,524,216
Depreciable Capital Assets, net	11,964,436
<i>Total Assets</i>	27,267,029
<b>Deferred Outflows of Resources:</b>	
Pension	2,551,929
OPEB	321,810
<i>Total Deferred Outflows of Resources</i>	2,873,739
<b>Liabilities:</b>	
Accounts Payable	36,547
Accrued Wages and Benefits Payables	1,152,865
Contracts Payable	32,588
Intergovernmental Payable	182,326
Long-Term Liabilities:	
Due Within One Year	161,214
Due in More Than One Year	965,497
Net Pension Liability	10,501,000
Net OPEB Liability	665,637
<i>Total Liabilities</i>	13,697,674
<b>Deferred Inflows of Resources:</b>	
Property Taxes not Levied to Finance Current Year Operations	1,835,579
Pension	1,095,715
OPEB	1,609,423
<i>Total Deferred Inflows of Resources</i>	4,540,717
<b>Net Position:</b>	
Net Investment in Capital Assets	14,348,015
Restricted for Capital Outlay	55,128
Restricted for Other Purposes	518,297
Unrestricted (Deficit)	(3,019,063)
<i>Total Net Position</i>	\$11,902,377

The notes to the basic financial statements are an integral part of this statement



**Bloom Vernon Local School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2023

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
Instruction:					
Regular	\$5,466,248	\$0	\$877,011	\$0	(\$4,589,237)
Special	2,047,984	124,594	566,165	0	(1,357,225)
Student Intervention Services	3,818	0	2,636	0	(1,182)
Other	456,717	0	15,073	0	(441,644)
Support Services:					
Pupils	616,813	7,772	347,283	0	(261,758)
Instructional Staff	413,711	0	3,600	0	(410,111)
Board of Education	66,146	0	0	0	(66,146)
Administration	1,071,148	0	5,841	0	(1,065,307)
Fiscal	294,903	0	0	0	(294,903)
Business	26,613	0	0	0	(26,613)
Operation and Maintenance of Plant	1,299,260	0	200,000	0	(1,099,260)
Pupil Transportation	774,127	0	700	0	(773,427)
Central	4,803	0	0	0	(4,803)
Operation of Non-Instructional Services	612,557	101,339	382,044	0	(129,174)
Extracurricular Activities	355,998	121,160	342	1,350,526	1,116,030
Debt Service:					
Interest on Long-Term Debt	9,403	0	0	0	(9,403)
<i>Total Governmental Activities</i>	<u>\$13,520,249</u>	<u>\$354,865</u>	<u>\$2,400,695</u>	<u>\$1,350,526</u>	<u>(9,414,163)</u>
<b>General Revenues:</b>					
Property Taxes Levied for:					
General Purposes					1,925,678
Permanent Improvements					187,137
Grants and Entitlements not Restricted for Specific Programs					
Unrestricted Gifts and Donations					8,378,645
Investment Earnings					1,000
Miscellaneous					3,577
					<u>163,038</u>
<i>Total General Revenues</i>					<u>10,659,075</u>
<i>Change in Net Position</i>					1,244,912
<i>Net Position Beginning of Year</i>					<u>10,657,465</u>
<i>Net Position End of Year</i>					<u>\$11,902,377</u>

The notes to the basic financial statements are an integral part of this statement

**Bloom Vernon Local School District**  
*Balance Sheet*  
*Governmental Funds*  
*As of June 30, 2023*

	General Fund	Elementary and Secondary School Emergency Relief Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$8,679,971	\$0	\$569,032	\$9,249,003
Inventory Held for Resale	0	0	3,597	3,597
Materials and Supplies Inventory	0	0	697	697
Accrued Interest Receivable	7,029	0	0	7,029
Accounts Receivable	2,473	0	0	2,473
Interfund Receivable	27,149	0	0	27,149
Intergovernmental Receivable	6,646	42,292	98,408	147,346
Prepaid Items	30,747	0	0	30,747
Property Taxes Receivable	2,192,339	0	213,654	2,405,993
<i>Total Assets</i>	<u>\$10,946,354</u>	<u>\$42,292</u>	<u>\$885,388</u>	<u>\$11,874,034</u>
<b>Liabilities:</b>				
Accounts Payable	\$35,547	\$0	\$1,000	\$36,547
Accrued Wages and Benefits Payable	1,001,236	26,347	125,282	1,152,865
Contracts Payable	32,588	0	0	32,588
Interfund Payable	0	12,542	14,607	27,149
Intergovernmental Payable	170,582	3,403	8,341	182,326
<i>Total Liabilities</i>	1,239,953	42,292	149,230	1,431,475
<b>Deferred Inflows of Resources:</b>				
Property Taxes not Levied to Finance Current Year				
Operations	1,672,846	0	162,733	1,835,579
Unavailable Revenue	360,581	42,292	128,289	531,162
<i>Deferred Inflows of Resources</i>	2,033,427	42,292	291,022	2,366,741
<b>Fund Balances:</b>				
Nonspendable	30,747	0	697	31,444
Restricted	0	0	515,746	515,746
Committed	227,346	0	0	227,346
Assigned	268,838	0	6,678	275,516
Unassigned (Deficit)	7,146,043	(42,292)	(77,985)	7,025,766
<i>Total Fund Balances</i>	<u>7,672,974</u>	<u>(42,292)</u>	<u>445,136</u>	<u>8,075,818</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$10,946,354</u>	<u>\$42,292</u>	<u>\$885,388</u>	<u>\$11,874,034</u>

The notes to the basic financial statements are an integral part of this statement.

**Bloom Vernon Local School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 As of June 30, 2023*

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<b>Total Governmental Fund Balances</b>	<b>\$8,075,818</b>
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	14,488,652
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Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Intergovernmental	137,419	
Taxes	393,743	
Total	531,162	531,162

The net pension and OPEB liabilities (assets) are not due and payable (receivable) in the current period. Therefore, the liabilities (assets) and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows-Pension	2,551,929	
Deferred Outflows-OPEB	321,810	
Deferred Inflows-Pension	(1,095,715)	
Deferred Inflows-OPEB	(1,609,423)	
Net Pension Liability	(10,501,000)	
Net OPEB Asset	931,492	
Net OPEB Liability	(665,637)	
Total	(10,066,544)	(10,066,544)

Long-term liabilities, including financed purchase agreements and the long-term portion of compensated absences, are not due and payable in the current period and therefore are not reported in the funds.

Financed Purchase Agreement	(108,049)	
Compensated Absences	(1,018,662)	
Total	(1,126,711)	(1,126,711)

<b>Net Position of Governmental Activities</b>	<b>\$11,902,377</b>
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The notes to the basic financial statements are an integral part of this statement

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

	General Fund	Elementary and Secondary School Emergency Relief Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property Taxes	\$1,933,969	\$0	\$189,575	\$2,123,544
Intergovernmental	9,360,926	1,596,336	1,558,760	12,516,022
Interest	225,641	0	1,010	226,651
Change in Fair Value of Investments	(221,017)	0	0	(221,017)
Tuition and Fees	124,594	0	0	124,594
Extracurricular Activities	7,772	0	121,160	128,932
Gifts and Donations	1,025	0	1,098	2,123
Customer Sales and Services	0	0	101,339	101,339
Miscellaneous	102,700	0	60,338	163,038
<i>Total Revenues</i>	11,535,610	1,596,336	2,033,280	15,165,226
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	4,903,575	16,200	134,847	5,054,622
Special	1,393,214	159,759	393,158	1,946,131
Student Intervention Services	1,182	2,636	0	3,818
Other	381,634	448	14,625	396,707
Support Services:				
Pupils	515,622	0	63,559	579,181
Instructional Staff	391,714	0	3,600	395,314
Board of Education	65,388	0	0	65,388
Administration	980,997	0	5,716	986,713
Fiscal	275,491	0	4,391	279,882
Business	14,722	0	0	14,722
Operation and Maintenance of Plant	1,059,284	0	155,920	1,215,204
Pupil Transportation	870,285	700	0	870,985
Central	4,402	0	0	4,402
Operation of Non-Instructional Services	3,254	0	582,265	585,519
Extracurricular Activities	184,392	0	141,245	325,637
Capital Outlay	1,529,830	1,350,526	283,229	3,163,585
Debt Service:				
Principal	210,510	0	0	210,510
Interest	9,403	0	0	9,403
<i>Total Expenditures</i>	12,794,899	1,530,269	1,782,555	16,107,723
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,259,289)	66,067	250,725	(942,497)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	1,642	1,642
Transfers Out	(1,642)	0	0	(1,642)
<i>Total Other Financing Sources (Uses)</i>	(1,642)	0	1,642	0
<i>Net Change in Fund Balances</i>	(1,260,931)	66,067	252,367	(942,497)
<i>Fund Balance (Deficit) at Beginning of Year</i>	8,933,905	(108,359)	192,769	9,018,315
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$7,672,974</u>	<u>(\$42,292)</u>	<u>\$445,136</u>	<u>\$8,075,818</u>

The notes to the basic financial statements are an integral part of this statement.

**Bloom Vernon Local School District**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2023*

**Net Change in Fund Balances - Total Governmental Funds** (\$942,497)

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

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

Capital Asset Additions	3,498,078	
Current Year Depreciation	(1,014,446)	
Total	2,483,632	2,483,632

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (482)

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

Intergovernmental	(389,336)	
Taxes	(10,729)	
Total	(400,065)	(400,065)

Contractually required contributions are reported as expenditures in governmental funds. However, the statement of net position reports these amounts as deferred outflows.

Pension	876,862	
OPEB	34,193	
Total	911,055	911,055

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liabilities (assets) are reported as pension/OPEB expense in the statement of activities.

Pension	(1,085,382)	
OPEB	194,711	
Total	(890,671)	(890,671)

Repayments of long-term debt are expenditures in the governmental funds, but the repayments reduce liabilities in the statement of net position. In the current fiscal year, these amounts consist of:

Financed Purchase Payments	210,510	
Total	210,510	210,510

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. These activities consist of:

Increase in Compensated Absences	(126,570)	
Total	(126,570)	(126,570)

**Net Change in Net Position of Governmental Activities** \$1,244,912

The notes to the basic financial statements are an integral part of this statement

**Bloom Vernon Local School District**  
*Statement of Revenues, Expenditures and Change  
in Fund Balance - Budget and Actual (Budgetary Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget: Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$1,687,705	\$1,837,847	\$1,837,847	\$0
Intergovernmental	9,374,734	9,359,437	9,359,437	0
Interest	22,922	35,803	35,803	0
Tuition and Fees	133,044	154,916	154,916	0
Gifts and Donations	1,000	1,000	1,000	0
Miscellaneous	43,671	84,912	84,912	0
<i>Total Revenues</i>	11,263,076	11,473,915	11,473,915	0
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	4,674,102	4,867,219	4,867,219	0
Special	1,301,532	1,400,645	1,400,645	0
Student Intervention Services	23,414	1,182	1,182	0
Other	321,990	380,317	380,317	0
Support Services:				
Pupils	311,841	485,845	485,845	0
Instructional Staff	360,779	399,838	399,838	0
Board of Education	79,533	68,948	68,948	0
Administration	934,177	956,462	956,462	0
Fiscal	248,203	268,442	268,442	0
Business	18,492	16,650	16,650	0
Operation and Maintenance of Plant	1,000,325	1,234,352	1,234,352	0
Pupil Transportation	858,982	1,141,399	928,535	212,864
Central	4,155	4,403	4,403	0
Operation of Non-Instructional Services	4,028	3,272	3,272	0
Extracurricular Activities	178,003	201,113	201,113	0
Capital Outlay	227,221	1,752,728	1,752,728	0
Debt Service:				
Principal	0	210,510	210,510	0
Interest	0	9,403	9,403	0
<i>Total Expenditures</i>	10,546,777	13,402,728	13,189,864	212,864
<i>Excess of Revenues Over (Under) Expenditures</i>	716,299	(1,928,813)	(1,715,949)	212,864
<b>Other Financing Sources (Uses):</b>				
Advances In	4,423	372,869	372,869	0
Advances Out	0	(27,149)	(27,149)	0
<i>Total Other Financing Sources (Uses)</i>	4,423	345,720	345,720	0
<i>Net Change in Fund Balance</i>	720,722	(1,583,093)	(1,370,229)	212,864
<i>Fund Balance at Beginning of Year-Restated</i>	9,598,923	9,598,923	9,598,923	0
<i>Prior Year Encumbrances Appropriated</i>	142,469	142,469	142,469	0
<i>Fund Balance at End of Year</i>	<u>\$10,462,114</u>	<u>\$8,158,299</u>	<u>\$8,371,163</u>	<u>\$212,864</u>

The notes to the basic financial statements are an integral part of this statement.

**Bloom Vernon Local School District**  
*Statement of Revenues, Expenditures and Change  
in Fund Balance - Budget and Actual (Budgetary Basis)  
Elementary and Secondary School Emergency Relief Fund  
For the Fiscal Year Ended June 30, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget: Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$1,620,743	\$1,596,336	\$1,596,336	\$0
<i>Total Revenues</i>	1,620,743	1,596,336	1,596,336	0
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	0	16,200	16,200	0
Special	0	165,252	165,252	0
Student Intervention Services	0	13,318	13,318	0
Support Services:				
Pupil Transportation	0	2,100	2,100	0
Operation of Non-Instructional Services	0	47,531	47,531	0
Capital Outlay	1,606,809	1,350,526	1,350,526	0
<i>Total Expenditures</i>	1,606,809	1,594,927	1,594,927	0
<i>Excess of Revenues Over Expenditures</i>	13,934	1,409	1,409	0
<b>Other Financing Sources (Uses):</b>				
Advances In	0	12,542	12,542	0
Advances Out	0	(14,009)	(14,009)	0
<i>Total Other Financing Sources (Uses)</i>	0	(1,467)	(1,467)	0
<i>Net Change in Fund Balance</i>	13,934	(58)	(58)	0
<i>Fund Balance at Beginning of Year</i>	58	58	58	0
<i>Fund Balance at End of Year</i>	\$13,992	\$0	\$0	\$0

The notes to the basic financial statements are an integral part of this statement.

**Bloom Vernon Local 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**

Bloom-Vernon Local School District (the School District) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government 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 1968 and serves an area of approximately 84 square miles. It is located in Scioto County, and includes all of the Village of South Webster and portions of Bloom and Vernon Townships. It is staffed by 45 non-certificated employees, 68 certificated full-time teaching personnel and six administrative employees who provide services to 793 students and other community members. The School District currently operates two instructional buildings.

**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 are not misleading. The School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Bloom-Vernon Local 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 School District. The School District has no component units.

The School District participates in four organizations, two of which are defined as jointly governed organizations, one as a public entity shared risk pool, and one as an insurance purchasing pool. These organizations are presented in note 16 to the basic financial statements.

These organizations are:

- Jointly Governed Organizations:
  - Metropolitan Educational Technology Association (META)
  - Coalition of Rural and Appalachian Schools
- Public Entity Shared Risk Pool:
  - Optimal Health Initiatives Consortium
- Insurance Purchasing Pool:
  - Ohio SchoolComp Group Retrospective Rating Program

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

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



**Bloom Vernon Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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**Basis of Presentation**

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

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These 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). The School District, however, has no business-type activities.

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

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities into 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. Fiduciary funds are reported by type.

**Fund Accounting**

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

Governmental Funds

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

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

*Elementary and Secondary School Emergency Relief (ESSER) Fund* – The ESSER fund is a special revenue fund used to account for emergency relief grants to school districts related to the COVID-19 pandemic. Restrictions

**Bloom Vernon Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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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.

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

**Measurement Focus**

Government-wide Financial Statements

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

Fund Financial Statements

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

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The government-wide financial statements and the financial statement of the fiduciary fund are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred outflows and 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. "Measurable" means that the amount of the transaction can be determined, and "available" means that the resources are collectible within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

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

**Bloom Vernon Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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

Deferred Outflows/Inflows of Resources:

In addition to assets, the Statement of Net 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 in the government-wide Statement of Net Position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in notes 11 and 12.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources included property taxes, pension and OPEB plans and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund 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 accrued interest. 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 Balance 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.

**Cash and Cash Equivalents**

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

During fiscal year 2023, the School District's investments were limited to a Money Market Fund and negotiable certificates of deposit. Investments are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, the fair value is determined by the fund's current share price.

Following Ohio statutes, the School District has, by resolution, specified the funds to receive an allocation of interest earnings. Interest credited to the General Fund during 2023 amounted to \$225,641.

**Prepaid Items**

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

**Bloom Vernon Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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**Inventory**

Materials and supplies inventory is reported at cost, while inventory held for resale is presented at the lower of cost or market value, and donated commodities are presented at their entitlement value. Inventories are presented on a first-in, first-out basis and are expended/expensed when used. Inventories consist of materials and supplies held for consumption and donated and purchased food held for resale.

**Capital Assets**

All capital assets of the School District are general capital assets that are associated with governmental activities. General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the fiscal year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of \$1,000. 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, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	10 - 30 years
Buildings and Improvements	10 - 50 years
Furniture, Fixtures and Equipment	5 - 20 years
Vehicles	5 - 15 years
Textbooks	10 years

**Interfund Balances**

On fund financial statements, outstanding interfund loans are reported as "Interfund Receivable" and "Interfund Payable". Interfund balances are eliminated in the Statement of Net Position.

**Compensated Absences**

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

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.

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditures to the extent that payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the

**Bloom Vernon Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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employees will be paid. The School District did not have any matured compensated absences to report as of June 30, 2023.

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

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current fiscal 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. Financed purchases that will be paid from governmental funds are recognized as an expenditure and liability on the governmental fund financial statements when due.

**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.

**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 the governmental funds. The classifications are as follows:

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

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

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

*Assigned* – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the Board of Education. State Statute authorizes the Treasurer to assign fund balances for purchases on order provided such amounts have been lawfully appropriated. Assigned amounts in the Principals' Fund, which is included as part of the General Fund for GAAP reporting purposes, represent amounts assigned by the principals for certain curricular and extracurricular activities. In Nonmajor Governmental Funds,

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assigned amounts represent amounts assigned by the Treasurer for the Morning Mall Program. These individuals have been given authority to assign amounts for these purposes by the School District Board of Education.

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

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 Net Position. Net investment in capital assets consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net Position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net Position restricted for other purposes include food service and federal and State grants restricted to expenditures for specified purposes.

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

### **Internal Activity**

Transfers within governmental activities are eliminated on the government-wide financial statements.

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

### **Budgetary Process**

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of budgetary control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as final budgeted amounts reflect the amounts in the amended certificate in effect at the time the final appropriations were passed. Before fiscal year-end, the School District requested and received an amended certificate of estimated resources that reflected actual revenue for the fiscal year-end in all funds.

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*Notes to the Basic Financial Statements*  
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The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. Prior to fiscal year-end, the School District passed a supplemental appropriation that reflected actual expenditures plus encumbrances for the fiscal year.

**Bond Premiums**

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

On the governmental fund financial statements, bond premiums are recognized in the period in which the bonds were issued.

**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.

**Note 3 – New Accounting Pronouncement**

For fiscal year 2023, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, “Subscription-Based Information Technology Arrangements”.

GASB Statement No. 96 provides accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs). It is based on the standards established in Statement 87, “Leases”. It:

- Defines a SBITA as a contract that conveys control of the right to use a SBITA vendor’s IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction;
- Requires governments with SBITAs to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability (with an exception for short-term SBITAs—those with a maximum possible term of 12 months); and
- Provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA.

These changes were considered in the preparation of the School District’s 2023 financial statements; however, there was no effect on beginning net position/fund balance nor was note disclosure presentation required.

**Note 4 – Accountability**

At June 30, 2023, the following nonmajor special revenue funds had deficit fund balances:

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Funds	Amounts
Early Childhood Education Fund	\$15,221
Title VI-B Fund	23,681
Chapter I Fund	35,740
Title VI-R Fund	3,343
Total	\$77,985

The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur. The fund balance deficits were due to accruals in GAAP.

**Note 5 – Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) is presented for the General Fund and the ESSER Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed, or assigned fund balance (GAAP basis).
4. Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the Rotary Fund.

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

<u>Net Change in Fund Balance</u>		
	General Fund	ESSER Fund
GAAP Basis	(\$1,260,931)	\$66,067
<i>Adjustments:</i>		
Revenue Accruals	335,336	12,542
Expenditure Accruals	59,758	(78,667)
Encumbrances	(501,409)	0
(Excess) Deficit of Funds Combined with the General Fund for Reporting Purposes	(2,983)	0
Budget Basis	(\$1,370,229)	(\$58)

**Note 6 – Deposits and Investments**

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

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School District treasury, in commercial accounts



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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirement 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. Except as noted, above, an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

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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.

**Investments**

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

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
<i>Fair Value - Level 1 Inputs:</i>				
Money Market Fund	\$62,762	Less than one year	AAAm	2.1%
<i>Fair Value - Level 2 Inputs:</i>				
Negotiable Certificates of Deposits	<u>2,914,783</u>	One to three years	N/A	<u>97.9%</u>
Total Investments	<u>\$2,977,545</u>			<u>100.0%</u>

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

Interest Rate Risk

As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District’s investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the School District’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. To date, no investments have been purchased with a life greater than five years.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Standard and Poor’s ratings for the School District’s investments are listed in the table above. Ohio law requires that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The School District has no policy on credit risk beyond the requirements in State statutes.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The School District’s investment policy does not address this risk beyond the requirements in State Statutes.

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**Note 7 – Property Taxes**

Property taxes are levied and assessed on a calendar year basis while the School District’s fiscal year runs from July through June. First half tax 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 law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2023 represents collections of calendar year 2022 taxes. Public utility real 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 Scioto County. The Scioto 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, public utility property and tangible personal property taxes which are measurable as of June 30, 2023, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources - property taxes.

The amount available as an advance at June 30, 2023, was \$158,912 in the General Fund and \$17,759 in other Nonmajor Governmental Funds. The amount available as an advance at June 30, 2022, was \$62,790 in the General Fund and \$9,276 in other Nonmajor Governmental Funds. 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.

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

	2022 Second- Half Collections		2023 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$63,171,990	68.01%	\$72,272,430	70.12%
Public Utility Personal	29,707,880	31.99%	30,791,050	29.88%
Total Assessed Value	\$92,879,870	100.00%	\$103,063,480	100.00%
Tax rate per \$1,000 of assessed valuation		\$22.30		\$22.30

**Note 8 - Receivables**

Receivables at June 30, 2023, consisted of accounts, property taxes, intergovernmental grants, interest and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables except for

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delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
<i>Governmental Activities:</i>	
General	\$6,646
ESSER	42,292
Title I	40,487
IDEA-B	31,426
Early Childhood Education	19,871
Improving Teacher Quality	6,624
Total Intergovernmental Receivables	\$147,346

**Note 9 – Capital Assets**

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

	Ending Balance 6/30/22	Additions	Deletions	Ending Balance 6/30/23
<i>Governmental Activities</i>				
Capital Assets Not Being Depreciated				
Land	\$269,130	\$0	\$0	\$269,130
Construction in Progress	0	2,255,086	0	2,255,086
Total Capital Assets Not Being Depreciated	269,130	2,255,086	0	2,524,216
Capital Assets Being Depreciated				
Land Improvements	891,255	32,450	0	923,705
Buildings and Improvements	25,342,133	682,458	0	26,024,591
Furniture, Fixtures, and Equipment	2,241,724	255,103	(7,300)	2,489,527
Vehicles	1,259,875	272,981	0	1,532,856
Textbooks	104,297	0	0	104,297
Total Capital Assets Being Depreciated	29,839,284	1,242,992	(7,300)	31,074,976
Less Accumulated Depreciation				
Land Improvements	(543,502)	(28,120)	0	(571,622)
Buildings and Improvements	(14,753,562)	(732,998)	0	(15,486,560)
Furniture, Fixtures, and Equipment	(1,757,454)	(112,718)	6,818	(1,863,354)
Vehicles	(944,097)	(140,610)	0	(1,084,707)
Textbooks	(104,297)	0	0	(104,297)
Total Accumulated Depreciation	(18,102,912)	(1,014,446)	6,818	(19,110,540)
Total Capital Assets Being Depreciated, Net	11,736,372	228,546	(482)	11,964,436
Governmental Activities Capital Assets, Net	\$12,005,502	\$2,483,632	(\$482)	\$14,488,652

**Bloom Vernon Local School District**  
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Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	
Regular	\$402,145
Special	77,268
Other	32,979
<i>Support Services:</i>	
Pupils	31,527
Instructional Staff	25,967
Board of Education	779
Administration	69,505
Fiscal	14,304
Business	11,409
Operation and Maintenance of Plant	103,958
Pupil Transportation	177,802
Central	412
Operation of Non-Instructional Services	35,575
Extracurricular Activities	30,816
Total Depreciation Expense	<u>\$1,014,446</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 maintained comprehensive insurance coverage with Liberty Mutual Insurance for liability, property, auto, and crime insurance. The School District paid its premium to McGowan Governmental Underwriters, an agent for Argonaut Insurance Company.

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

**Employee Medical and Dental Benefits**

The School District participates in the Optimal Health Initiatives Consortium (the Consortium), a public entity shared risk pool (Note 16), consisting of school districts whose insurance programs for health care benefits were administered previously under the Scioto County Schools Council of Governments, the Northern Buckeye Education Council, and the Butler Health Plan. Monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf.

**Workers' Compensation**

For fiscal year 2023, the School District participated in the Ohio SchoolComp Group Retrospective Rating Program (GRP), an insurance purchasing pool (note 16). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sedwick provides administrative, cost control and actuarial services to the GRP.

**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 (Asset)**

The net pension/OPEB liability (asset) reported on the statement of net position represents a liability to (asset for) employees for pensions/OPEB. Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) 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.

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

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

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

The remainder of this note includes the required pension disclosures. See note 12 for the required OPEB disclosures.

**School Employees Retirement System (SERS)**

Plan Description – School District nonteaching 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.

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Age and service requirements for retirement are as follows:

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

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

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

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

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

The School District's contractually required contributions to SERS were \$240,367 for fiscal year 2023. Of this amount, \$0 was reported as an intergovernmental payable.

**State Teachers Retirement System (STRS)**

Plan Description – School District licensed teachers and other certified faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS website 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 final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-

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of-living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

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

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

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

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

The School District's contractually required contributions to STRS were \$636,495 for fiscal year 2023. Of this amount, \$115,428 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



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contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability			
Current Measurement Date	0.04629300%	0.035974220%	
Proportion of the Net Pension Liability			
Prior Measurement Date	<u>0.04960910%</u>	<u>0.034912303%</u>	
Change in Proportionate Share	<u>-0.00331610%</u>	<u>0.001061917%</u>	
Proportionate Share of the Net			
Pension Liability	\$2,503,886	\$7,997,114	\$10,501,000
Pension Expense	\$139,165	\$946,217	\$1,085,382

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>
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$101,409	\$102,373	\$203,782
Changes of assumptions	24,706	957,014	981,720
Net difference between projected and actual earnings on pension plan investments	0	278,282	278,282
Changes in proportion and differences between School District contributions and proportionate share of contributions	46,854	164,429	211,283
School District contributions subsequent to the measurement date	<u>240,367</u>	<u>636,495</u>	<u>876,862</u>
Total Deferred Outflows of Resources	<u>\$413,336</u>	<u>\$2,138,593</u>	<u>\$2,551,929</u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$16,437	\$30,591	\$47,028
Changes of assumptions	0	720,357	720,357
Net difference between projected and actual earnings on pension plan investments	87,375	0	87,375
Changes in proportion and differences between School District contributions and proportionate share of contributions	<u>123,768</u>	<u>117,187</u>	<u>240,955</u>
Total Deferred Inflows of Resources	<u>\$227,580</u>	<u>\$868,135</u>	<u>\$1,095,715</u>

\$876,862 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	(\$5,617)	\$36,592	\$30,975
2025	(69,375)	(40,013)	(109,388)
2026	(124,817)	(173,651)	(298,468)
2027	145,198	811,035	956,233
Total	(\$54,611)	\$633,963	\$579,352

**Actuarial Assumptions - SERS**

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

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

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

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

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

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

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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.

<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
Total	<u>100.00 %</u>	

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$3,685,600	\$2,503,886	\$1,508,307

**Actuarial Assumptions - STRS**

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

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

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

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

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

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

<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. 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

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contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$12,080,729	\$7,997,114	\$4,543,641

**Note 12 – Defined Benefit OPEB Plans**

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

**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 the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation

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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 \$34,193.

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 for health care was \$34,193 for fiscal year 2023. Of this amount, \$34,193 was reported as an intergovernmental payable.

**State Teachers Retirement System (STRS)**

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

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

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset)			
Current Measurement Date	0.04740970%	0.035974220%	
Proportion of the Net OPEB Liability (Asset)			
Prior Measurement Date	0.05119970%	0.034912303%	
Change in Proportionate Share	-0.00379000%	0.001061917%	
Proportionate Share of the Net OPEB Liability	\$665,637	\$0	\$665,637
Proportionate Share of the Net OPEB Asset	\$0	(\$931,492)	(\$931,492)
OPEB Expense (Gain)	(\$31,069)	(\$163,642)	(\$194,711)

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At June 30, 2023, the School District 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>
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$5,595	\$13,503	\$19,098
Changes of assumptions	105,878	39,678	145,556
Net difference between projected and actual earnings on pension plan investments	3,460	16,216	19,676
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	96,388	6,899	103,287
School District contributions subsequent to the measurement date	<u>34,193</u>	<u>0</u>	<u>34,193</u>
Total Deferred Outflows of Resources	<u>\$245,514</u>	<u>\$76,296</u>	<u>\$321,810</u>
 <i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$425,791	\$139,891	\$565,682
Changes of assumptions	273,249	660,518	933,767
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>107,880</u>	<u>2,094</u>	<u>109,974</u>
Total Deferred Inflows of Resources	<u>\$806,920</u>	<u>\$802,503</u>	<u>\$1,609,423</u>

\$34,193 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or increase in the net OPEB asset in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2024	(\$119,474)	(\$209,428)	(\$328,902)
2025	(121,149)	(210,153)	(331,302)
2026	(112,982)	(99,571)	(212,553)
2027	(76,398)	(42,018)	(118,416)
2028	(57,232)	(54,547)	(111,779)
Thereafter	<u>(108,364)</u>	<u>(110,490)</u>	<u>(218,854)</u>
Total	<u>(\$595,599)</u>	<u>(\$726,207)</u>	<u>(\$1,321,806)</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).

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Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

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 expenses, 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 log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 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 target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

<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
Total	<u>100.00 %</u>	

**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 at 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.

**Bloom Vernon Local School District**  
*Notes to the Basic Financial Statements*  
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	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
School District's proportionate share of the net OPEB liability	\$826,731	\$665,637	\$535,590

	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	\$513,326	\$665,637	\$864,581

**Actuarial Assumptions – STRS**

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

	June 30, 2022	June 30, 2021
Projected salary increases	Varies by service from 2.5 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

**Bloom Vernon Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2023

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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.

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

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

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

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

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 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	(\$861,140)	(\$931,492)	(\$991,755)

**Bloom Vernon Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2023

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$966,184)	(\$931,492)	(\$887,702)

**Note 13 – Employee Benefits**

**Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from State laws. Eligible classified employees and administrators earn 10 to 20 days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 215 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum payment of 50 days.

**Insurance Benefits**

The School District provides health care coverage through Anthem Blue Cross BlueShield through the Optimal Health Initiative Consortium, dental coverage for its employees through Delta Dental, vision coverage through Vision Service Plan, and life insurance through American United Life Insurance Co.

**Deferred Compensation**

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

**Note 14 – Long-Term Obligations**

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

	Amount Outstanding 06/30/22	Additions	Deductions	Amount Outstanding 06/30/23	Amounts Due Within One Year
<i>Governmental Activities:</i>					
Net Pension Liability:					
STRS	\$4,463,851	\$3,533,263	\$0	\$7,997,114	\$0
SERS	1,830,431	673,455	0	2,503,886	0
Total Net Pension Liability	6,294,282	4,206,718	0	10,501,000	0
Net OPEB Liability:					
SERS	968,997	0	(303,360)	665,637	0
Financed Purchase Agreement	318,559	0	(210,510)	108,049	108,049
Compensated Absences	892,092	470,139	(343,569)	1,018,662	53,165
Total Governmental Activities Long-Term Obligations	\$8,473,930	\$4,676,857	(\$857,439)	\$12,293,348	\$161,214

**Bloom Vernon Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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**Financed Purchase**

In prior years, the School District entered into a financed purchase agreement for building improvements. Financed purchase payments are reflected as debt expenditures in the fund financial statements. Principal payments made during fiscal year 2023 totaled \$210,510. Payments were paid from the General Fund.

The agreement provides for minimum annual financed purchase payments as follows:

Fiscal Year Ending June 30,	Building Improvements
2024	\$109,957
Less: Amount Representing Interest	(1,908)
Present Value of Net Minimum Payments	\$108,049

There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the following funds: the General Fund and the Food Service, Early Childhood Education, Title VI, Title I and Title II Special Revenue funds. For Additional information related to the net pension/OPEB liability see notes 11 and 12. Compensated absences will be paid from the General Fund.

The overall legal debt margin was \$9,275,713 with an unvoted debt margin of \$103,063, and an Energy Conservation debt margin of \$927,571 at June 30, 2023.

**Note 15 – Interfund Activity**

Interfund balances at June 30, 2023, consist of the following individual interfund receivable and payable:

	Interfund Receivable	Interfund Payable
General Fund	\$27,149	\$0
ESSER Fund	0	12,542
Nonmajor Governmental Funds	0	14,607
Total	\$27,149	\$27,149

General Fund advances are made to move unrestricted balances to support programs and projects accounted for in other funds. Advancing monies to other funds is necessary due to timing differences in the receiving of grant monies. When the monies are finally received, the grant fund will use these restricted monies to reimburse the General Fund for the initial advance.

Transfers made during the fiscal year ended June 30, 2023, were as follows:

	Transfers In	Transfers Out
General Fund	\$0	\$1,642
Nonmajor Governmental Funds	1,642	0
Total	\$1,642	\$1,642

General Fund transfers were made to move unrestricted balances to support programs and projects accounted for in other funds. Transfers were made from the General Fund to the Student Managed Activity Fund.

**Note 16 – Jointly Governed Organizations, Public Entity Shared Risk Pool, and Insurance Purchasing Pool**

**Jointly Governed Organizations**

**Metropolitan Educational Technology Association (META)**

The School District is a participant in the Metropolitan Educational Technology Association (META), which is a computer consortium and a regional council of governments. META is an educational solutions partner providing services across Ohio. META provides cost-effective fiscal, network, technology, and student services, a purchasing cooperative, and other individual services based on each client’s needs.

The governing board of META consists of a president, vice president and twelve board members who represent the members of META. The Board works with META’s Chief Executive Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization’s mission, vision, and values. The Board exercises total control over the operations of the Association including budgeting, appropriating, contracting and designating management. Each School District’s degree of control is limited to its representation on the Board. The School District paid META \$47,834 for services provided during the fiscal year. Financial information can be obtained from META Solutions, 100 Executive Drive, Marion Ohio 43302.

**Coalition of Rural and Appalachian Schools**

The Coalition of Rural and Appalachian Schools is a jointly governed organization composed of 136 school districts and other educational institutions in the 35-county region of Ohio designated as Appalachia. The Coalition is operated by a Board which is composed of seventeen members. One elected and one appointed from each of the seven regions into which the 35 Appalachian counties are divided; and three from Ohio University College of Education. The Coalition provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Board exercises total control over the operations of the Coalition including budgeting, appropriating, contracting, and designating management. The Coalition is not dependent on the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Coalition. During fiscal year 2023, the School District made a payment of \$407 to the Coalition for a membership fee. The financial information for the Coalition can be obtained from the Executive Director, at McCracken Hall, Ohio University, Athens, Ohio 45701.

**Public Entity Shared Risk Pool**

**Optimal Health Initiatives Consortium**

The School District is a member of the Optimal Health Initiatives Consortium (the “Consortium”), a public entity shared risk pool, consisting of school districts whose self-insurance programs for health care benefits were administered previously under the Scioto County Schools Council of Governments, the Northern Buckeye Education Council, Ohio Healthcare Plan, and the Butler Health Plan. The overall objective of the Consortium is to enable its members to purchase employee benefits and related products and services using the Consortium’s economies of scale to create cost-savings. The Council’s business and affairs are managed by an Executive Board of Trustees, consisting of the chairperson of each division’s board of trustees and the chairperson of the Butler Health Plan. The participants pay an administrative fee to the fiscal agent to cover the costs of administering the Consortium. To obtain financial information, write to the fiscal agent, Todd Rosenbaum CPA, MCM CPAs & Advisors, 3536 Edwards Road, Cincinnati, Ohio 45208.

**Bloom Vernon Local School District**  
*Notes to the Basic Financial Statements*  
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**Insurance Purchasing Pool**

Ohio SchoolComp Group Retrospective Rating Program

The School District participates in the Ohio SchoolComp Group Retrospective Rating Program (GRP), 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 OSBA. The Director of 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.

**Note 17 – Set-Aside Calculations**

The School District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

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

	Capital Acquisitions
Set-aside Balance as of June 30, 2022	\$0
Current Fiscal Year Set-aside Requirement	176,480
Current Fiscal Year Offsets	(176,480)
Set-aside Balance as of June 30, 2023	\$0

Amounts of offsets and qualifying expenditures presented in the table for the capital acquisition set-asides were limited to those necessary to reduce the year-end balance to zero. Although the School District may have had additional offsets and qualifying expenditures for capital acquisitions, these amounts may not be used to reduce the set-aside requirements of future fiscal years and therefore is not presented as being carried forward to the next fiscal year.

**Note 18 – Significant Commitments**

**Encumbrances**

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

General Fund	\$501,409
Nonmajor Governmental Funds	155,039
Total	\$656,448

**Bloom Vernon Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2023

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**Contractual Commitments**

At June 30, 2023, the School District had the following significant contractual commitment.

Contract / Contractor	Contract Amount	Amount Paid During 2023	Amount Outstanding at 6/30/23
Air Dome Project/Dynamix Energy Services Company	\$2,522,414	\$2,222,498	\$299,916

**Note 19 – Fund Balances**

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

	General	ESSER	Nonmajor Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>				
Prepays	\$30,747	\$0	\$0	\$30,747
Inventory	0	0	697	697
<i>Total Nonspendable</i>	30,747	0	697	31,444
<i>Restricted for</i>				
Permanent Improvements	0	0	21,966	21,966
District Managed Student Activities	0	0	20,188	20,188
Food Service	0	0	221,580	221,580
Local, State and Federal Grants	0	0	144,280	144,280
Athletics	0	0	105,476	105,476
Scholarships	0	0	2,256	2,256
<i>Total Restricted</i>	0	0	515,746	515,746
<i>Committed to</i>				
Contractual Commitments	227,346	0	0	227,346
<i>Assigned to</i>				
Purchases on Order	268,838	0	6,678	275,516
<i>Total Assigned</i>	268,838	0	6,678	275,516
<i>Unassigned (Deficit)</i>	7,146,043	(42,292)	(77,985)	7,025,766
<i>Total Fund Balances</i>	\$7,672,974	(\$42,292)	\$445,136	\$8,075,818

**Note 20 - Contingencies**

**Grants**

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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, the effect of any



**Bloom Vernon Local School District**  
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*For the Fiscal Year Ended June 30, 2023*

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such disallowed claims on the overall financial position of the School District at June 30, 2023, if applicable, cannot be determined at this time.

**School Foundation**

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

As of the date of this report, ODE has released two adjustments for fiscal year 2023. These adjustments resulted in an amount due from the School District to the State foundation of \$19,396, which has been reported as an intergovernmental payable. Subsequent adjustments from ODE may result in additional receivables or payables.

**Litigation**

The School District is not a party to any legal proceeding as of June 30, 2023.

**Note 21 – 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.

**Bloom Vernon Local School District**  
*Required Supplementary Information*  
*Schedule of the District's Proportionate Share of the Net Pension Liability*  
*Last Ten Fiscal Years*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<i>State Teachers Retirement System</i>										
School District's proportion of the net pension liability	0.037224170%	0.037224170%	0.035674450%	0.034785700%	0.035306000%	0.035349330%	0.036170420%	0.034815910%	0.034912303%	0.035974220%
School District's proportionate share of the net pension liability	\$10,785,311	\$9,054,205	\$9,859,375	\$11,643,822	\$8,387,017	\$7,772,524	\$7,998,872	\$8,424,211	\$4,463,851	\$7,997,114
School District's covered payroll	\$3,241,800	\$4,081,146	\$3,755,143	\$3,670,479	\$3,917,436	\$4,037,700	\$4,331,643	\$4,234,707	\$4,386,007	\$4,706,550
School District's proportionate share of the net pension liability as a percentage of its covered payroll	332.7%	221.9%	262.6%	317.2%	214.1%	192.5%	184.7%	198.9%	101.8%	169.9%
Plan fiduciary net position as a percentage of the total pension liability	69.3%	74.7%	72.1%	66.8%	75.3%	77.3%	77.4%	75.5%	87.8%	78.9%
<i>School Employees Retirement System</i>										
School District's proportion of the net pension liability	0.039499000%	0.039499000%	0.043542000%	0.042773500%	0.043320600%	0.044776900%	0.046701600%	0.046276800%	0.049609100%	0.046293000%
School District's proportionate share of the net pension liability	\$2,348,879	\$1,999,022	\$2,484,550	\$3,130,626	\$2,588,311	\$2,564,456	\$2,794,238	\$3,060,845	\$1,830,431	\$2,503,886
School District's covered payroll	\$1,239,942	\$1,015,505	\$1,305,061	\$1,325,929	\$1,412,121	\$1,488,363	\$1,488,044	\$1,622,364	\$1,712,379	\$1,729,307
School District's proportionate share of the net pension liability as a percentage of its covered payroll	189.4%	196.9%	190.4%	236.1%	183.3%	172.3%	187.8%	188.7%	106.9%	144.8%
Plan fiduciary net position as a percentage of the total pension liability	65.5%	71.7%	69.2%	63.0%	69.5%	71.4%	70.9%	68.6%	82.9%	75.8%

The amounts presented are as of the School District's measurement date, which is the prior fiscal year end.  
See the accompanying notes to the required supplementary information.

**Bloom Vernon Local School District**  
*Required Supplementary Information*  
*Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)*  
*Last Seven Fiscal Years*

	2017	2018	2019	2020	2021	2022	2023
<i>State Teachers Retirement System</i>							
School District's proportion of the net OPEB liability (asset)	0.034785700%	0.035306000%	0.035349330%	0.036170420%	0.034815910%	0.034912303%	0.035974220%
School District's proportionate share of the net OPEB liability (asset)	\$1,860,348	\$1,377,509	(\$568,027)	(\$599,070)	(\$611,888)	(\$736,097)	(\$931,492)
School District's covered payroll	\$3,670,479	\$3,917,436	\$4,037,700	\$4,331,643	\$4,234,707	\$4,386,007	\$4,706,550
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	50.7%	35.2%	-14.1%	-13.8%	-14.4%	-16.8%	-19.8%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	37.3%	47.1%	176.0%	174.7%	182.1%	174.7%	230.7%
<i>School Employees Retirement System</i>							
School District's proportion of the net OPEB liability (asset)	0.043433900%	0.044084600%	0.045560500%	0.048008100%	0.047964400%	0.051199700%	0.047409700%
School District's proportionate share of the net OPEB liability (asset)	\$1,238,027	\$1,183,115	\$1,263,972	\$1,207,302	\$1,042,423	\$968,997	\$665,637
School District's covered payroll	\$1,325,929	\$1,412,121	\$1,488,363	\$1,488,044	\$1,622,364	\$1,712,379	\$1,729,307
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	93.4%	83.8%	84.9%	81.1%	64.3%	56.6%	38.5%
Plan fiduciary net position as a percentage of the total OPEB liability	11.5%	12.5%	13.6%	15.6%	18.2%	24.1%	30.3%

The amounts presented are as of the School District's measurement date, which is the prior fiscal year end.  
Information not available prior to 2017.  
See the accompanying notes to the required supplementary information.

**Bloom Vernon Local School District**  
*Required Supplementary Information*  
*Schedule of District Contributions*  
*Last Ten Fiscal Years*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<i>State Teachers Retirement System</i>										
Contractually required contribution - pension	\$530,549	\$525,720	\$513,867	\$548,441	\$565,278	\$606,430	\$592,859	\$614,041	\$658,917	\$636,495
Contractually required contribution - OPEB	38,172	0	0	0	0	0	0	0	0	0
Contractually required contribution - total	568,721	525,720	513,867	548,441	565,278	606,430	592,859	614,041	658,917	636,495
Contributions in relation to the contractually required contribution	568,721	525,720	513,867	548,441	565,278	606,430	592,859	614,041	658,917	636,495
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District's covered payroll	\$4,081,146	\$3,755,143	\$3,670,479	\$3,917,436	\$4,037,700	\$4,331,643	\$4,234,707	\$4,386,007	\$4,706,550	\$4,546,393
Contributions as a percentage of covered payroll - pension	13.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered payroll - OPEB	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
<i>School Employees Retirement System</i>										
Contractually required contribution - pension	\$140,749	\$172,007	\$185,630	\$197,697	\$200,929	\$200,886	\$227,131	\$239,733	\$242,103	\$240,367
Contractually required contribution - OPEB (1)	1,421	10,702	0	0	7,457	7,425	0	0	0	0
Contractually required contribution - total	142,170	182,709	185,630	197,697	208,386	208,311	227,131	239,733	242,103	240,367
Contributions in relation to the contractually required contribution	142,170	182,709	185,630	197,697	208,386	208,311	227,131	239,733	242,103	240,367
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District's covered payroll	\$1,015,505	\$1,305,061	\$1,325,929	\$1,412,121	\$1,488,363	\$1,488,044	\$1,622,364	\$1,712,379	\$1,729,307	\$1,716,907
Contributions as a percentage of covered payroll - pension	13.86%	13.18%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered payroll - OPEB	0.14%	0.82%	0.00%	0.00%	0.50%	0.50%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

(1) Excludes surcharge.

See the accompanying notes to the required supplementary information.

**Bloom Vernon Local School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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**State Teachers Retirement System**

**Pension**

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2015 through 2017. For fiscal year 2018, the cost of living adjustment (COLA) was reduced to 0 percent effective July 1, 2017. There were no changes to benefit terms for fiscal years 2019 through 2023.

Changes in assumptions

There were no changes in assumptions for fiscal years 2015 through 2017.

For fiscal year 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Inflation assumptions were lowered from 2.75 percent to 2.5 percent.
- Investment return assumptions were lowered from 7.75 percent to 7.45 percent.
- Total salary increases rates were lowered by decreasing merit component of the individual salary increases, as well as by 0.25 percent due to lower inflation.
- Payroll growth assumptions were lowered from 3.5 percent to 3.0 percent.
- Updated the health and disability mortality assumption to the RP-2014 mortality tables with generational improvement scale MP-2016.
- Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

There were no changes in assumptions for fiscal years 2019 through 2021.

For fiscal year 2022, the following was the most significant change of assumptions that affected the total pension liability since the prior measurement date:

- Investment rate of return and discount rate of return assumptions were lowered from 7.45 percent to 7.0 percent.

For fiscal year 2023, the following was the most significant change of assumptions that affected the total pension liability since the prior measurement date:

- Updated the health and disability mortality assumption to the PUB-2010 mortality tables with generational improvement scale MP-2020.

**OPEB**

Changes in benefit terms

There were no changes to benefit terms for fiscal year 2017.

For fiscal year 2018, STRS has the following changes in benefit terms since the previous measurement date:

- The HealthSpan HMO plans were eliminated.
- The subsidy multiplier for non-Medicare benefit recipients was reduced to 1.9 percent per year of service from 2.1 percent.
- Medicare Part B premium reimbursements were discontinued for survivors and beneficiaries who were age 65 by 2008 and either receiving a benefit or named as a beneficiary as of January 1, 2008.
- The remaining Medicare Part B premium reimbursements will be phased out over a three-year period.

**Bloom Vernon Local School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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For fiscal year 2019, the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The subsidy multiplier for non-Medicare benefit recipients increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020, though the STRS Board voted in June 2019 to extent the current Medicare Part B partial reimbursement for one year.

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

For 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, 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 calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

There were no changes to benefit terms for fiscal year 2023.

Changes in assumptions

There were no changes in assumptions for fiscal year 2017.

For fiscal year 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB 74.
- The long-term rate of return was reduced to 7.45 percent.
- Valuation-year per capita health costs were updated.
- The percentage of future retirees electing each option was updated based on current data.
- The assumed future trend rates were modified.
- Decrement rates including mortality, disability, retirement, and withdrawal were modified.
- The assumed percentage of future disabled retirees assumed to elect health coverage was decreased from 84 percent to 65 percent, and the assumed percentage of terminated vested participants assumed to elect health coverage at retirement was decreased from 47 percent to 30 percent.
- The assumed salary scale was modified.

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate increased from a 4.13 percent blended discount rate to 7.45 percent.

**Bloom Vernon Local School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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- The health care trend assumption rate changed from 6 to 11 percent initial, 4.5 percent ultimate to:
  - Medical Medicare – 5 percent initial, 4 percent ultimate
  - Medical Pre-Medicare – 6 percent initial, 4 percent ultimate
  - Prescription Drug Medicare – -5.23 percent initial, 4 percent ultimate
  - Prescription Drug Pre-Medicare – 8 percent initial, 4 percent ultimate

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
  - Medical Medicare – from 5 percent to 4.93 percent initial, 4 percent ultimate
  - Medical Pre-Medicare – from 6 percent to 5.87 percent initial, 4 percent ultimate
  - Prescription Drug Medicare – from -5.23 percent to 9.62 percent initial, 4 percent ultimate
  - Prescription Drug Pre-Medicare – from 8 percent to 7.73 initial, 4 percent ultimate

For fiscal year 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
  - Medical Medicare – from 4.93 percent to -6.69 percent initial, 4 percent ultimate
  - Medical Pre-Medicare – from 5.87 percent to 5 percent initial, 4 percent ultimate
  - Prescription Drug Medicare – from 9.62 percent to 11.87 percent initial, 4 percent ultimate
  - Prescription Drug Pre-Medicare – from 7.73 percent to 6.5 initial, 4 percent ultimate

For fiscal year 2022, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate increased from 7.45 percent to 7.0 percent.
- The health care trend assumption rate changed as follows:
  - Medical Medicare – from -6.69 percent initial, 4 percent ultimate to -16.18 percent initial, 4 percent ultimate
  - Prescription Drug Medicare – from 11.87 percent initial, 4 percent ultimate to 29.98 percent initial, 4 percent ultimate

For fiscal year 2023, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
  - Medical Pre-Medicare – from 5.00 percent initial, 4 percent ultimate to 7.50 percent initial, 3.94 percent ultimate
  - Medical Medicare – from -16.18 percent initial, 4 percent ultimate to -68.78 percent initial, 3.94 percent ultimate
  - Prescription Drug Pre-Medicare – from 6.50 percent initial, 4 percent ultimate to 9.00 percent initial, 3.94 percent ultimate
  - Prescription Drug Medicare – from 29.98 percent initial, 4 percent ultimate to -5.47 percent initial, 3.94 percent ultimate
- Updated the health and disability mortality assumption to the PUB-2010 mortality tables with generational improvement scale MP-2020.

**Bloom Vernon Local School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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**School Employees Retirement System**

**Pension**

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2015 through 2017.

For fiscal year 2018, the following were the most significant changes in benefit that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.5 percent with a floor of 0 percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendars 2018, 2019, and 2020.

There were no changes to benefit terms for fiscal years 2019 through 2021.

For fiscal year 2022, the following was the most significant change in benefit that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from 2.5 percent to 2.0 percent.

For fiscal year 2023, the following was the most significant change in benefit that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from 2.0 percent to 2.5 percent.

Changes in assumptions

There were no changes in assumptions for fiscal years 2015 through 2017.

For fiscal year 2018, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2016 and prior are presented below:

- Assumed rate of inflation was reduced from 3.25 percent to 3.0 percent
- Payroll Growth Assumption was reduced from 4.0 percent to 3.5 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.5 percent
- Investment rate of return was reduced from 7.75 percent to 7.5 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
  - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. The above rates represent the base rates used.
- Mortality among service retired members, and beneficiaries was updated to the following:
  - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates.
- Mortality among disabled member was updated to the following:
  - RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

There were no changes in assumptions for fiscal years 2019 through 2021.



**Bloom Vernon Local School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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For fiscal year 2022, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

- Assumed rate of inflation was reduced from 3.0 percent to 2.4 percent
- Payroll Growth Assumption was reduced from 3.5 percent to 3.25 percent
- Investment rate of return was reduced from 7.5 percent to 7.0 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among members was updated to the following:
  - 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 updated to the following:
  - 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.

There were no changes in assumptions for fiscal year 2023.

## **OPEB**

### Changes in benefit terms

There were no changes to benefit terms for fiscal years 2017 through 2023.

### Changes in assumptions

For fiscal year 2017, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- Assumed rate of inflation was reduced from 3.25 percent to 3.0 percent
- Payroll growth assumption was reduced from 4.0 percent to 3.5 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.5 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
  - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females.
- Mortality among service retired members, and beneficiaries was updated to the following:
  - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates.
- Mortality among disabled members was updated to the following:
  - RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

For fiscal year 2018, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 2.98 percent to 3.63 percent.
- The municipal bond index rate increased from 2.92 percent to 3.56 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98 percent to 3.63 percent.

**Bloom Vernon Local School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was changed from 3.63 percent to 3.70 percent.
- The municipal bond index rate increased from 3.56 percent to 3.62 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63 percent to 3.70 percent.
- The medical trend assumption rate changed as follows:
  - Medicare – 2018 – 5.50 to 5.00 percent, 2019 – 5.375 to 4.75 percent
  - Pre-Medicare – 2018 – 7.50 to 5.00 percent, 2019 – 7.25 to 4.75

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.62 percent to 3.13 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70 percent to 3.22 percent.
- The medical trend assumption rate changed as follows:
  - Medicare – 2019 – 5.375 to 4.75 percent, 2020 – 5.25 to 4.75 percent
  - Pre-Medicare – 2019 – 7.25 to 4.75, 2020 – 7 to 4.75 percent

For fiscal year 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.13 percent to 2.45 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22 percent to 2.63 percent.

For fiscal year 2022, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The inflation rate decreased from 3.0 percent to 2.4 percent.
- Projected salary increases decreased from 3.5 percent to 3.25 percent.
- Investment rate of return decreased from 7.5 percent to 7.0 percent.
- The municipal bond index rate decreased from 2.45 percent to 1.92 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 2.63 percent to 2.27 percent.
- The medical trend assumption rate changed as follows:
  - Medicare – 2020 – 5.25 to 4.75 percent, 2022 – 5.125 to 4.4 percent
  - Pre-Medicare – 2020 – 7 to 4.75 percent, 2022 – 6.75 to 4.4 percent
- Mortality among members was updated to the following:
  - 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 updated to the following:
  - 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.

**Bloom Vernon Local School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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For fiscal year 2023, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate increased from 1.92 percent to 3.69 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.27 percent to 4.08 percent.

**BLOOM VERNON SCHOOL DISTRICT**  
Schedule of Federal Awards Receipts and Expenditures  
For the Fiscal Year Ended June 30, 2023

Federal Grantor / Pass Through Grantor / Program Title	Grant Year	Federal CFDA Number	Passed Through to Subrecipients	Cash Expenditures	Non-Cash Expenditures
<b><u>U.S. Department of Agriculture</u></b>					
<i>Passed Through Ohio Department of Education:</i>					
<i>Nutrition Cluster:</i>					
School Breakfast Program	2022-2023	10.553	\$0	\$122,088	\$0
National School Lunch Program	2022-2023	10.555	0	209,837	39,822
Food Pro Manf - COVID	2022-2023	10.555	0	25,901	0
Total Nutrition Cluster			0	357,826	39,822
Pandemic EBT Administrative Costs	2023	10.649	0	628	0
<b>Total U.S. Department of Agriculture</b>			0	358,454	39,822
<b><u>U.S. Department of Federal Communications Commission</u></b>					
Emergency Connectivity Fund	2023	32.009	0	55,720	0
<b>Total U.S. Department of Federal Communications Commission</b>			0	55,720	0
<b><u>U.S. Department of Education</u></b>					
<i>Passed Through Ohio Department of Education:</i>					
<i>Title I:</i>					
Title I Grants to Local Educational Agencies	2022	84.010	0	30,618	0
Title I Grants to Local Educational Agencies	2023	84.010	0	173,761	0
Title I Grants to Local Educational Agencies	2023	84.010	0	6,239	0
Total Title I			0	210,618	0
<i>Special Education Cluster:</i>					
Special Education - Grants to States (IDEA Part B)	2022	84.027	0	28,498	0
Special Education - Grants to States (IDEA Part B)	2023	84.027	0	154,886	0
Special Education - ARP IDEA Part B	2023	84.027	0	25,598	0
Special Education - ARP IDEA Part B	2022	84.027	0	3,074	0
Special Education - IDEA Part B	2023	84.173	0	2,958	0
Total Special Education Cluster			0	215,014	0
Improving Teacher Quality	2022	84.367	0	5,263	0
Improving Teacher Quality	2023	84.367	0	21,871	0
Total Improving Teacher Quality			0	27,134	0
Student Support and Academic Enrichment Program	2023	84.424	0	14,625	0
Total Student Support and Academic Enrichment			0	14,625	0
Elementary and Secondary School Emergency Relief COVID-19	2023	84.425	0	1,594,924	0
Total Elementary and Secondary School Emergency Relief COVID-19			0	1,594,924	0
<b>Total U.S. Department of Education</b>			0	2,062,315	0
<b>Total Federal Financial Assistance</b>			\$0	\$2,476,489	\$39,822

The accompanying notes to the Schedule of Federal Awards Revenues and Expenditures are an integral part of the Schedule.

**BLOOM-VERNON LOCAL SCHOOL DISTRICT**  
*Notes to the Schedule of Federal Awards Receipts and Expenditures*  
For the Fiscal Year Ended June 30, 2023

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**NOTE A – BASIS OF PRESENTATION**

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

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance.

**NOTE C - CHILD NUTRITION CLUSTER**

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

**NOTE D – FOOD DONATION PROGRAM**

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

**Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Required by  
*Government Auditing Standards***

Bloom-Vernon Local School District  
Scioto County  
P.O. Box 237  
South Webster, OH 45682

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Bloom-Vernon Local School District, Scioto 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 December 12, 2023, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures that will 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 purposes of expressing our opinions 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.

Board of Education  
Bloom-Vernon Local School District, Scioto County  
Independent Auditor’s Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by Government Auditing Standards

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

As part of obtaining reasonable assurance about whether the Entity’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 Entity’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 Entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***J. L. Uhrig and Associates, Inc.***

J. L. UHRIG AND ASSOCIATES, INC.  
Chillicothe, Ohio

December 12, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

Bloom-Vernon Local School District  
Scioto County  
P.O. Box 237  
South Webster, OH 45682

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

***Opinion on the Major Federal Program***

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

In our opinion, the Bloom-Vernon Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

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

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

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

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

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

Bloom-Vernon Local School District  
Independent Auditor's Report on Compliance with Requirements  
Applicable to the Major Federal Program and on Internal Control Over Compliance  
and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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.

*J. L. Uhrig and Associates, Inc.*

J. L. UHRIG AND ASSOCIATES, INC.  
Chillicothe, Ohio

December 12, 2023

**BLOOM VERNON LOCAL SCHOOL DISTRICT**

*Schedule of Findings*

*For the Fiscal Year Ended June 30, 2023*

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

1.	<i>Type of Financial Statement Opinion</i>	Unmodified
2.	<i>Were there any material internal control weaknesses reported at the financial statement level (GAGAS)?</i>	No
3.	<i>Were there any other significant internal control deficiency reported at the financial statement level (GAGAS)?</i>	No
4.	<i>Was there any material noncompliance reported at the financial statement level (GAGAS)?</i>	No
5.	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
6.	<i>Were there any other significant internal control deficiency reported for major federal programs?</i>	No
7.	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
8.	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
9.	<i>Major Programs (list):</i>	CFDA # 84.425 Elementary and Secondary School Emergency Relief – COVID-19
10.	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: All Other Programs
11.	<i>Low Risk Auditee under 2 CFR §200.520?</i>	Yes

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

There were no findings related to the financial statements required to be reported in accordance with GAGAS.

**C. FINDINGS FOR FEDERAL AWARDS**

There were no findings related to Federal Awards to be reported.

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# OHIO AUDITOR OF STATE KEITH FABER



**BLOOM VERNON LOCAL SCHOOL DISTRICT**

**SCIOTO COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 2/8/2024**

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)