PIONEER CAREER AND TECHNOLOGY CENTER

RICHLAND COUNTY, OHIO

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

Julian & Grube
Serving Ohio Local Governments

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Education
Pioneer Career and Technology Center
27 Ryan Road
Shelby, Ohio 44875

We have reviewed the *Independent Auditor's Report* of the Pioneer Career and Technology Center, Richland County, prepared by Julian & Grube, 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 Pioneer Career and Technology Center is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

January 26, 2024

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PIONEER CAREER AND TECHNOLOGY CENTER
RICHLAND COUNTY, OHIO

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Julian & Grube

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Independent Auditor's Report

Pioneer Career and Technology Center
Richland County
27 Ryan Road
Shelby, Ohio 44875

To the Members of the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pioneer Career and Technology Center, Richland County, Ohio, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Pioneer Career and Technology Center's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Pioneer Career and Technology Center, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Pioneer Career and Technology Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pioneer Career and Technology Center'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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pioneer Career and Technology Center'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 Pioneer Career and Technology Center'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, schedules of net pension and other postemployment benefit assets and liabilities and pension and other postemployment benefit contributions, listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pioneer Career and Technology Center's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 15, 2023 on our consideration of the Pioneer Career and Technology Center's internal control over financial reporting and on 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 Pioneer Career and Technology Center'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 Pioneer Career and Technology Center's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
December 15, 2023

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

Financial Highlights

Key financial highlights for 2023 are as follows:

- Net position increased $4,564,150 over the fiscal year 2022 net position.

- Capital assets decreased $475,187 during fiscal year 2023.

Using this Annual Report

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

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

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

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

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

In the *Statement of Net Position* and the *Statement of Activities*, governmental activities include the District's programs and services, including instruction, support services, extracurricular activities, and non-instructional services, i.e., food service operations.

Reporting the District's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been safeguarded for specific activities or objectives. The District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the District's most significant fund. The District's major governmental fund is the general fund.

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

Proprietary Fund The District maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for its health insurance benefits. Because this service predominately benefits governmental functions, it has been included within the governmental activities in the government-wide financial statements.

Reporting the District's Fiduciary Responsibilities

The District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in custodial funds. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations. Custodial funds are reported on the accrual basis and present a statement of fiduciary net position and statement of changes in fiduciary net position.

The District as a Whole

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

Table 1
Net Position

	Governmental Activities		
	2023	2022	Change
Assets			
Current & Other Assets	$ 44,244,153	$ 39,565,999	$ 4,678,154
Net Pension/OPEB Asset	1,963,464	1,648,614	314,850
Capital Assets	25,340,467	25,815,654	(475,187)
Total Assets	71,548,084	67,030,267	4,517,817
Deferred Outflows of Resources			
Deferred Charges	829,556	889,887	(60,331)
Pension & OPEB	5,605,930	6,255,574	(649,644)
Total Deferred Outflows of Resources	6,435,486	7,145,461	(709,975)
Liabilities			
Current & Other Liabilities	2,304,425	2,517,383	(212,958)
Long-Term Liabilities:			
Due Within One Year	850,288	874,018	(23,730)
Due In More Than One Year:			
Pension & OPEB	22,388,131	14,900,482	7,487,649
Other Amounts	8,497,661	9,057,925	(560,264)
Total Liabilities	34,040,505	27,349,808	6,690,697
Deferred Inflows of Resources			
Property Taxes	6,543,851	6,088,096	455,755
Pension & OPEB	5,782,428	13,685,188	(7,902,760)
Total Deferred Inflows of Resources	12,326,279	19,773,284	(7,447,005)
Net Position			
Net Investment in Capital Assets	18,032,221	18,184,161	(151,940)
Restricted	6,972,332	5,017,817	1,954,515
Unrestricted	6,612,233	3,850,658	2,761,575
Total Net Position	$ 31,616,786	$ 27,052,636	$ 4,564,150

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2023, and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. In a prior period, the District also adopted GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB asset/liability to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2 Minus plan assets available to pay these benefits.

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 District is not responsible for certain key factors affecting the balance of these assets/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.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer.* State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. For STRS, the plan's fiduciary net OPEB position was sufficient to cover the plan's total OPEB liability resulting in a net OPEB asset for fiscal year 2023 that is allocated to each school based on its proportionate share. The retirement system is responsible for the administration of the pension and OPEB plans.

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 reported by the retirement boards. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB asset/liability, respectively, not accounted for as deferred inflows/outflows.

A portion of the District's net position, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position is unrestricted.

There was a significant change in net pension/OPEB liability/asset and related accruals for the District. These fluctuations are due to changes in the actuarial liabilities/assets and related accruals that are passed through to the District's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows and NPL/NOL/NOA and are described in more detail in their respective notes.

The significant increase in current and other assets was mainly due to an increase in delinquent taxes receivable related to a dispute over property valuations by the owners of pipelines in the District's area, and the receipt of settlement monies related to a previous HVAC project. See Note 18 for more information about the settlement.

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In order to further understand what makes up the changes in net position for the current year, table 2 gives readers further detail regarding the results of activities for 2023 and 2022:

Table 2
Changes in Net Position

	Governmental Activities		
	2023	2022	Change
Revenues			
Program Revenues			
Charges for Services	$ 1,072,806	$ 879,991	$ 192,815
Operating Grants	2,877,917	2,755,094	122,823
Capital Grants	25,000	-	25,000
Total Program Revenues	3,975,723	3,635,085	340,638
General Revenues			
Property Taxes	8,810,888	9,550,875	(739,987)
Grants & Entitlements	11,948,414	11,736,232	212,182
Other	2,410,448	(216,063)	2,626,511
Total General Revenues	23,169,750	21,071,044	2,098,706
Total Revenues	27,145,473	24,706,129	2,439,344
Program Expenses			
Instruction:			
Regular	1,315,453	1,275,377	40,076
Special	1,150,834	1,061,565	89,269
Vocational	11,647,854	11,238,407	409,447
Adult/Continuing	369,687	335,759	33,928
Support Services:			
Pupils	1,685,230	1,142,182	543,048
Instructional Staff	1,229,177	1,139,557	89,620
Board of Education	90,340	156,330	(65,990)
Administration	1,274,329	1,155,678	118,651
Fiscal	550,501	560,873	(10,372)
Business	217,726	138,872	78,854
Operation and Maintenance of Plant	1,277,293	1,244,884	32,409
Pupil Transportation	1,633	1,834	(201)
Central	483,107	24,760	458,347
Operation of Non-Instructional/Shared Services:			
Food Service Operations	559,140	515,680	43,460
Extracurricular Activities	372,256	317,138	55,118
Debt Service:			
Interest and Fiscal Charges	356,763	379,658	(22,895)
Total Expenses	22,581,323	20,688,554	1,892,769
Change in Net Position	4,564,150	4,017,575	546,575
Net Position Beginning of Year	27,052,636	23,035,061	4,017,575
Net Position End of Year	$ 31,616,786	$ 27,052,636	$ 4,564,150

The significant change in other revenue is primarily due to the receipt of the settlement money previously discussed. Fluctuations in expense classifications are primarily due to changes in net pension liability and OPEB accruals.

Governmental activities are supported through taxes and other general revenues. The community, as a whole, is by far the primary support for the District students.

Table 3
Fund Balances

	Fund Balance 12/31/2023	Fund Balance 12/31/2022	Increase (Decrease)
General	$ 21,271,662	$ 20,001,945	$ 1,269,717
Other Governmental	8,010,230	6,319,794	1,690,436
Total	$ 29,281,892	$ 26,321,739	$ 2,960,153

Governmental Funds

As noted earlier, the District's governmental funds are accounted for using the modified accrual method of accounting. The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of the fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's Board.

The general fund is the chief operating fund of the District. For the fiscal year 2023, the general fund's increase in fund balance is primarily due to increases in investment income and intergovernmental revenues. These increases were offset slightly by a decrease in property tax revenues.

The increase in other governmental fund balance is mainly due to the settlement monies previously discussed.

General Fund Budgeting Highlights

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

During the course of fiscal year 2023, the District made no amendments to its general fund appropriation budget. The District uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

Original Budget Compared to Final Budget During the year there was no need for any significant amendments to either the original estimated revenues or original budgeted appropriations.

Final Budget Compared to Actual Results For the general fund, there was a significant variance between expected interest income and actual interest income due to better-than-expected investment earnings. There were no significant variances to the actual expenditures and other financing uses compared to the appropriations in the final budget.

Capital Assets and Debt Administration

Capital Assets

Capital assets include land, buildings and building improvements, furniture and equipment, vehicles, and construction in progress. These capital assets are used to provide services to students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities

See Note 7 for additional information about the capital assets of the District.

Debt

During the fiscal year, the District made regular principal and interest payments on its debt. See Note 13 for additional details.

Current Issues

The District remains fiscally stable and ended fiscal year 2023 in a good financial position. The District has carefully managed its general fund budgets in order to optimize the dollars available for educating the students it serves, and to minimize the levy millage amounts needed periodically from the community's citizens. As the preceding information shows, the District's general fund is performing well. This amount incorporates the "equity in pooled cash and investments" balance of all the various funds that are considered part of the general fund on a GAAP-basis. The "equity in pooled cash and investments" balance of the general fund at June 30, 2023 was $21,366,584. The District continues to maintain a healthy cash balance in the general fund in the midst of funding uncertainties.

In March 2015, with interest rates low, the District seized the opportunity to refinance the original COPS issue that funded the renovations completed to the District in fiscal year 2012. The refinance yielded a NPV savings of $458,397 to the District and their taxpayers over the remaining life of the COPS. The remaining original 2008 COPS were paid in full in December of 2022. Only the 2015 COPS remain payable.

Beginning at the end of fiscal year 2018 and ending in October 2018, replacement of the faulty HVAC system installed during the School Renovations in 2009 to 2012 was completed. Funds from the original renovation budget have been used to cover the costs of this replacement. The Ohio Attorney General's office sought recovery of funds for the replacement and filed a lawsuit to recover HVAC replacement costs. The lawsuit was settled in July 2022 for $1,750,000. The Ohio Facilities Construction Commission, which shared the cost of the project, will receive a portion of the settlement upon closing of the project.

In the fiscal years 2022 and 2023 State biennial budget, Ohio's legislature passed what is known as the "Fair School Funding Plan" (FSFP) This legislation builds on three years of feedback from education professionals who do this work for a living every day of their lives and actually represent Ohio's diverse school districts: urban and rural, large and small. The current biennial budget for fiscal years 2024 and 2025 continues the phase-in of the FSFP.

The Bill creates a comprehensive school funding plan for primary and secondary education by: 1. Establishing a base cost amount to meet the cost of basic student educational needs; 2. Adding additional resources for specific needs, such as special education, educating students living in poverty, and transportation, etc.; and, 3. Allocating state and local funding shares based on local capacity measured by property values and resident income. The major downfall of this budget is that the new funding formula is only funded through each biennium. There are no guarantees that this formula will be in effect after fiscal year 2025. For fiscal year 2022, the formula was phased in at 16.67 percent and for fiscal year 2023 the formula was phased in at 33.34 percent. In fiscal year 2024, the phase-in is 50% and for fiscal year 2025 the phase-in will be 66.67%

The District's biggest challenge in recent years has been the world-wide COVID-19 pandemic. The District has spent general fund monies trying to best serve their students by purchasing technology, software and new equipment to help students through this trying time. The District has also received relief monies in fiscal years 2022 and 2023 to assist the District in staying open for the students.

The District has committed itself to educational and financial excellence for many years. Each challenge identified in this section is viewed simultaneously as an opportunity for the District to continue its commitment to excellence. The District is committed to living within its financial means and working with the community it serves in order to garner adequate resources to support educational programs.

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 District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Linda Schumacher, Treasurer of Pioneer Career and Technology Center, 27 Ryan Road, Shelby OH 44875-0309.

Pioneer Career and Technology Center
Richland County, Ohio
Statement of Net Position
June 30, 2023

		Governmental Activities
Assets		
Equity in Pooled Cash and Investments	$	27,680,645
Cash and Cash Equivalents in Segregated Accounts		1,806,009
Cash and Cash Equivalents with Fiscal Agent		2,230,508
Accounts Receivable		83,672
Intergovernmental Receivable		157,762
Taxes Receivable		12,285,557
Net OPEB Asset		1,963,464
Non-Depreciable Capital Assets		103,732
Depreciable Capital Assets, net		25,236,735
Total Assets		71,548,084
Deferred Outflows of Resources		
Deferred Charges on Refunding		829,556
Pension		5,121,714
OPEB		484,216
Total Deferred Outflows of Resources		6,435,486
Liabilities		
Accounts Payable		92,039
Accrued Wages and Benefits		1,408,408
Contracts Payable		15,499
Intergovernmental Payable		221,708
Claims Payable		144,933
Matured Compensated Absences Payable		113,263
Unearned Revenue		308,575
Long-Term Liabilities:		
Due Within One Year		850,288
Due In More Than One Year:		
Net Pension Liability		21,259,851
Net OPEB Liability		1,128,280
Other Amounts Due in More Than One Year		8,497,661
Total Liabilities		34,040,505
Deferred Inflows of Resources		
Property Taxes Levied for the Next Year		6,543,851
Pension		2,602,260
OPEB		3,180,168
Total Deferred Inflows of Resources		12,326,279
Net Position		
Net Investment in Capital Assets		18,032,221
Restricted for:		
Capital Outlay		3,127,217
Classroom Facilities		2,661,789
Other Purposes		1,183,326
Unrestricted		6,612,233
Total Net Position	$	31,616,786

See accompanying notes to the basic financial statements

Pioneer Career and Technology Center
Richland County, Ohio
Statement of Activities
For the Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	$ 1,315,453	$ 11,236	$ -	$ -	$ (1,304,217)
Special	1,150,834	-	1,748,770	-	597,936
Vocational	11,647,854	304,111	118,173	25,000	(11,200,570)
Adult/Continuing	369,687	82,331	231,629	-	(55,727)
Support Services:					
Pupils	1,685,230	121	442,974	-	(1,242,135)
Instructional Staff	1,229,177	164,546	36,042	-	(1,028,589)
Board of Education	90,340	-	-	-	(90,340)
Administration	1,274,329	11,858	9,370	-	(1,253,101)
Fiscal	550,501	-	-	-	(550,501)
Business	217,726	-	-	-	(217,726)
Operation and Maintenance of Plant	1,277,293	-	2,145	-	(1,275,148)
Pupil Transportation	1,633	-	344	-	(1,289)
Central	483,107	-	2,780	-	(480,327)
Operation of Non-Instructional/Shared Services:					
Food Service Operations	559,140	289,665	285,353	-	15,878
Extracurricular Activities	372,256	208,938	337	-	(162,981)
Debt Service:					
Interest and Fiscal Charges	356,763	-	-	-	(356,763)
Total	$ 22,581,323	$ 1,072,806	$ 2,877,917	$ 25,000	(18,605,600)

General Revenues	
Property Taxes Levied for:	
General Purposes	8,385,528
Classroom Facilities Maintenance	425,360
Grants and Entitlements not Restricted to Specific Programs	11,948,414
Investment Earnings	563,342
Miscellaneous	1,847,106
Total General Revenues	23,169,750
Change in Net Position	4,564,150
Net Position Beginning of Year	27,052,636
Net Position End of Year	$ 31,616,786

See accompanying notes to the basic financial statements

Pioneer Career and Technology Center
Richland County, Ohio
Balance Sheet
Governmental Funds
June 30, 2023

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Investments	$ 21,366,584	$ 6,314,061	$ 27,680,645
Cash and Cash Equivalents in Segregated Accounts	-	1,806,009	1,806,009
Accounts Receivable	66,624	17,048	83,672
Interfund Receivable	59,000	-	59,000
Intergovernmental Receivable	-	157,762	157,762
Property Taxes Receivable	12,285,557	-	12,285,557
Total Assets	$ 33,777,765	$ 8,294,880	$ 42,072,645
Liabilities			
Accounts Payable	$ 49,483	$ 42,556	$ 92,039
Accrued Wages and Benefits	1,370,673	37,735	1,408,408
Contracts Payable	-	15,499	15,499
Intergovernmental Payable	212,366	9,342	221,708
Interfund Payable	-	59,000	59,000
Matured Compensated Absences Payable	113,263	-	113,263
Unearned Revenue	-	7,078	7,078
Total Liabilities	1,745,785	171,210	1,916,995
Deferred Inflows of Resources			
Property Taxes Levied for the Next Year	6,543,851	-	6,543,851
Unavailable Revenue	4,216,467	113,440	4,329,907
Total Deferred Inflows of Resources	10,760,318	113,440	10,873,758
Fund Balances			
Nonspendable	23,945	-	23,945
Restricted	-	6,461,432	6,461,432
Committed	-	201,301	201,301
Assigned	807,410	1,357,918	2,165,328
Unassigned	20,440,307	(10,421)	20,429,886
Total Fund Balance	21,271,662	8,010,230	29,281,892
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 33,777,765	$ 8,294,880	$ 42,072,645

Pioneer Career and Technology Center
Richland County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2023

Total Governmental Fund Balances		$ 29,281,892
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.		25,340,467
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Intergovernmental	$ 113,440	
Accounts Receivable	66,624	
Delinquent Property Taxes	4,149,843	4,329,907
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		1,784,078
Unamortized loss on refunding represents deferred outflows, which do not use current financial resources and, therefore, are not reported in the funds.		829,556
The net pension liability and net OPEB liability are not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	1,963,464	
Deferred Outflows - Pension	5,121,714	
Deferred Outflows - OPEB	484,216	
Net Pension Liability	(21,259,851)	
Net OPEB Liability	(1,128,280)	
Deferred Inflows - Pension	(2,602,260)	
Deferred Inflows - OPEB	(3,180,168)	(20,601,165)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Certificates of Participation	(7,970,000)	
Leases Payable	(167,802)	
Compensated Absences	(1,210,147)	(9,347,949)
Net Position of Governmental Activities		$ 31,616,786

Pioneer Career and Technology Center
Richland County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property and Other Local Taxes	$ 7,115,057	$ 425,360	$ 7,540,417
Intergovernmental	13,688,704	1,087,379	14,776,083
Investment Income	502,806	39,304	542,110
Tuition and Fees	141,566	244,933	386,499
Extracurricular Activities	13,253	208,117	221,370
Charges for Services	176,622	291,376	467,998
Contributions and Donations	8,480	38,238	46,718
Miscellaneous	96,651	1,750,455	1,847,106
Total Revenues	21,743,139	4,085,162	25,828,301
Expenditures			
Instruction:			
Regular	1,264,324	-	1,264,324
Special	1,101,594	-	1,101,594
Vocational	10,683,385	282,803	10,966,188
Adult/Continuing	-	363,368	363,368
Support Services:			
Pupils	1,173,846	616,967	1,790,813
Instructional Staff	939,029	335,790	1,274,819
Board of Education	83,915	6,425	90,340
Administration	1,340,422	11,457	1,351,879
Fiscal	607,149	-	607,149
Business	235,317	-	235,317
Operation and Maintenance of Plant	1,058,253	220,482	1,278,735
Pupil Transportation	1,213	420	1,633
Central	469,371	1,127	470,498
Operation of Non-Instructional/Shared Services:			
Food Service Operations	-	555,989	555,989
Extracurricular Activities	127,091	208,398	335,489
Capital Outlay	140,089	368,421	508,510
Debt Service			
Principal Retirement	523,667	-	523,667
Interest and Fiscal Charges	296,432	-	296,432
Total Expenditures	20,045,097	2,971,647	23,016,744
Excess of Revenues Over (Under) Expenditures	1,698,042	1,113,515	2,811,557
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	8,507	-	8,507
Inception of Lease	140,089	-	140,089
Transfers In	-	576,921	576,921
Transfers Out	(576,921)	-	(576,921)
Total Other Financing Sources (Uses)	(428,325)	576,921	148,596
Net Change in Fund Balances	1,269,717	1,690,436	2,960,153
Fund Balances Beginning of Year	20,001,945	6,319,794	26,321,739
Fund Balances End of Year	$ 21,271,662	$ 8,010,230	$ 29,281,892

See accompanying notes to the basic financial statements

Pioneer Career and Technology Center
Richland County, Ohio
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds		$ 2,960,153
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 activites, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	$ 452,813	
Current Year Depreciation/Amortization	(915,528)	(462,715)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(12,472)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Intergovernmental	(5,019)	
Tuition and Fees	(3,061)	
Property Tax	1,270,471	1,262,391
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Certificates of Participation	435,000	
Lease	88,667	523,667
Inception of lease in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		(140,089)
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and the gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Amortization of Refunding Loss		(60,331)
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,670,995	
OPEB	39,512	1,710,507
Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(2,086,825)	
OPEB	456,635	(1,630,190)
The internal service fund used by management to charge the costs of insurance to invididual funds is not reported in the statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		212,813
Some expenses reported in the statement of activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences		200,416
Change in Net Position of Governmental Activities		$ 4,564,150

Pioneer Career and Technology Center
Richland County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues and Other Financing Sources	$ 21,280,414	$ 21,280,414	$ 22,437,731	$ 1,157,317
Expenditures and Other Financing Uses	21,636,966	21,636,966	20,877,246	759,720
Net Change in Fund Balance	(356,552)	(356,552)	1,560,485	1,917,037
Fund Balance Beginning of Year	19,036,153	19,036,153	19,036,153	-
Prior Year Encumbrances Appropriated	364,526	364,526	364,526	-
Fund Balance End of Year	$ 19,044,127	$ 19,044,127	$ 20,961,164	$ 1,917,037

See accompanying notes to the basic financial statements

Pioneer Career and Technology Center
Richland County, Ohio
Statement of Fund Net Position
Proprietary Funds
June 30, 2023

	Governmental Activities
	Internal Service Fund
Assets	
Current Assets:	
Cash and Cash Equivalents with Fiscal Agent	$ 2,230,508
Total Current Assets	2,230,508
Current Liabilities:	
Unearned Revenue	301,497
Claims Payable	144,933
Total Current Liabilities	446,430
Net Position	
Unrestricted	1,784,078
Total Net Position	$ 1,784,078

See accompanying notes to the basic financial statements

Pioneer Career and Technology Center
Richland County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Governmental Activities
	Internal Service Fund
Operating Revenues	
Charges for Services	$ 3,760,183
Other	204,658
Total Operating Revenues	3,964,841
Operating Expenses	
Purchased Services	1,013,518
Claims	2,768,291
Total Operating Expenses	3,781,809
Operating Income (Loss)	183,032
Non-Operating Revenues (Expenses)	
Interest Income	29,781
Total Non-Operating Revenues (Expenses)	29,781
Change in Net Position	212,813
Net Position Beginning of Year	1,571,265
Net Position End of Year	$ 1,784,078

See accompanying notes to the basic financial statements

Pioneer Career and Technology Center
Richland County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities	
Cash Received from Customers	$ 3,740,648
Cash Received from Other Operating Revenues	204,658
Cash Payments to Suppliers for Goods and Services	(1,013,518)
Cash Payments for Claims	(2,918,718)
Net Cash Provided by (Used for) Operating Activities	13,070
Cash Flows from Investing Activities	
Interest Income	29,781
Net Cash Provided by Investing Activities	29,781
Net Increase (Decrease) in Cash and Investments	42,851
Cash and Cash Equivalents Beginning of Year	2,187,657
Cash and Cash Equivalents End of Year	$ 2,230,508

Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Income (Loss)	$ 183,032
Adjustments:	
Increase (Decrease) in Liabilities:	
Claims Payable	(150,427)
Unearned Revenue	(19,535)
Net Cash Provided by (Used For) Operating Activities	$ 13,070

See accompanying notes to the basic financial statements

Pioneer Career and Technology Center
Richland County, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Custodial
Assets	
Equity in Pooled Cash and Investments	$ 33,492
Net Position	
Restricted for Individuals, Organizations, and Other Governments	33,492
Total Net Position	$ 33,492

See accompanying notes to the basic financial statements

Pioneer Career and Technology Center
Richland County, Ohio
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Custodial
Additions	
Amounts Received as Fiscal Agent	$ 135,000
Total Additions	135,000
Deductions	
Distributions as Fiscal Agent	809,333
Total Deductions	809,333
Change in Net Position	(674,333)
Net Position Beginning of Year	707,825
Net Position End of Year	$ 33,492

See accompanying notes to the basic financial statements

NOTE 1: DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY

The Pioneer Career and Technology Center (the "District") was formed on June 18, 1965. The District is a Vocational District as defined by Section 3311.18 of the Ohio Revised Code and is a body politic and corporate. The District was established for the purpose of exercising the rights and privileges conveyed to it by the Constitution and laws of the State of Ohio. The District operates under an appointed 11 member Board of Education and is responsible for the provision of public education to residents of the District.

The District's primary missions are to provide students with job training to lead to the students' employment upon graduation from high school, and/or college preparation to lead to higher education attainment. The District includes 14 member Districts throughout Richland, Crawford, Huron, Morrow, Wyandot, Seneca, Marion and Ashland Counties.

The District also provides support services for the pupils, instructional staff, operation and maintenance, food services, extracurricular activities, and nonprogrammed services.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

The District participates in one jointly governed organization and three public entity risk pools.

A. Jointly Governed Organization

Heartland Council of Governments/North Central Ohio Computer Cooperative (the "COG") The COG is a jointly governed organization among public Districts, community schools, 1 educational service center, and 1 career center. The COG is an association of public Districts within the boundaries of Ashland, Crawford, Huron, Marion, Morrow, Richland, Seneca, and Wyandot Counties. The COG was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member Districts. Each member District supports the COG based on a per-pupil charge dependent upon the software package utilized. The COG is governed by a Cooperative Assembly consisting of Superintendents of the member Districts. The degree of control exercised by any District is limited to its representation on the Cooperative Assembly. The District served as fiscal agent for the COG through June 30, 2022. The financial activity during the fiscal year to close out the COG's fund is reported in the basic financial statements as a custodial fund.

B. Public Entity Risk Pools

Schools of Ohio Risk Sharing Authority
The District participates in the Schools of Ohio Risk Sharing Authority Board (SORSA), an insurance purchasing pool. SORSA's business affairs are conducted by a nine-member Board of Directors consisting of a President, Vice President, Secretary, Treasurer and five delegates. SORSA was created to provide joint self- insurance coverage and to assist members to prevent and reduce losses and injuries to the participants' property and person. It is intended to provide liability and property insurance at reduced premiums for the participants. SORSA is organized as a nonprofit corporation under provisions of Ohio Revised Code Chapter 2744.

The Jefferson Health Plan
The District participates in The Jefferson Health Plan (the "Plan"), a council of governments of school districts and other political subdivisions organized and existing as a joint self-insurance program pursuant to Section 9.833 of the Ohio Revised Code to provide healthcare and related insurance benefits to member organizations. The Plan's business affairs are conducted by a Board of Directors elected from member organizations and composed of one representative from each county served and a career center representative. Each member organization pays a monthly premium based on its claims history and a monthly administration fee.

Workers' Compensation Group Experience Rating Program

The District participates in a Workers' Compensation Group Retrospective Program. The program is offered by the Ohio Bureau of Workers' Compensation and is administered by Sheakley Uniservice, Inc. Group Retro is a performance based refund program in which participating employers pay their annual premiums as scheduled. The BWC will then conduct three (3) annual evaluations following the completion of the retro year to determine refund opportunities.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is also eliminated to avoid "doubling up" revenues and expenses.

The statement of net position presents the financial condition of the governmental activities of the 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 District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore, clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

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

B. Fund Accounting

The 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 various funds of the District are grouped into the categories governmental, proprietary, and fiduciary.

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

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

The other governmental funds of the District account for grants and other resources to which the District is bound to observe constraints imposed upon the use of the resources.

Proprietary Funds Proprietary funds focus on the determination of changes in net position, financial position and cash flows and are classified as either enterprise or internal service. The District's only proprietary fund is an internal service fund.

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. Custodial Funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The District's fiduciary funds are custodial funds which account for assets held by the District as fiscal agent for an endowment fund, for Pell grants and for the Heartland Council of Governments/North Central Ohio Computer Cooperative (the "COG"). Effective June 30, 2022 the District is no longer the fiscal agent for the COG, and all remaining assets were transferred to the COG during the fiscal year.

C. Measurement Focus

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

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

Like the government-wide statements, the internal service fund and custodial funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its internal service fund activity.

The statement of changes in fiduciary net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of changes in fiduciary net position reports additions to and deductions from custodial funds.

D. Basis of Accounting

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

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

Non-exchange transactions, in which the 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 5). 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 District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Inflows of Resources and Deferred Outflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension and Other Post Employment Benefits (OPEB). A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 10 and 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue may include delinquent property taxes, grants and entitlements, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. See Notes 10 and 11.

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

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

E. Budgetary Process

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. Budgetary modifications at this level require a resolution of the Board of Education. The Treasurer has been given the authority to allocate Board appropriations to the function and object levels 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 District Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original and final certificates of estimated resources were adopted.

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

F. Cash and Investments

To improve cash management, all cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through District records. Interest in the pool is presented as "equity in pooled cash and investments." The District participates in the Jefferson Health Plan. The Jefferson Health Plan is an insurance consortium for self-insurance. These monies are held separate from the District's central bank account and are reflected in the financial statement as "cash and cash equivalents with fiscal agent."

The District holds cash relating to their Ohio Facilities Construction Commission project in the Classroom Facilities fund. These funds are presented on the financial statements as "cash and cash equivalents in segregated accounts."

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

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

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2023 amounted to $502,806, which includes $109,407 assigned from other District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are reported as cash equivalents. Investments with an original maturity of more than three months that are not made from the pool are reported as investments.

G. Inventory

Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method, which means that the costs of inventory items are recorded as expenditures in the governmental funds when consumed.

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The District has a capitalization threshold of $5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the assets or materially extend an asset's life are not.

Depreciation of capital assets is provided over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Building and Improvements	25-50 Years
Furniture and Equipment	5-20 Years
Vehicles	5-15 Years

The District is reporting intangible right to use assets related to furniture and equipment. These intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

I. Compensated Absences

Compensated absences of the District consist of vacation leave and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

Sick leave benefits are accrued as a liability using the vesting method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the District's termination policy. The District records a liability for accumulated unused sick leave for employees after twenty years of service based on historical trends.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account matured compensated absences payable. The noncurrent portion of the liability is not reported.

J. Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to pension/OPEB, and pension/OPEB expense; information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net positon 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.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are accrued as obligations of the funds. However, claims, judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current 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.

L. Unearned Revenue

The Unearned Revenue reported on the statement of net position and the entire amount reported on the statement of fund net position represents early payments received for self-insurance funding for July 2023 for the internal service fund, and grant revenue received but not disbursed as of the fiscal year end.

M. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2023, there was no net position restricted by enabling legislation. The amounts restricted for other purposes consisted of scholarships, education foundation, state mandated set-asides, and state and federally funded programs.

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

N. Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The 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. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the 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 District's Board of Education. In the general fund, assigned amounts represent intended uses established by policies of the Board of Education or a District official delegated by that authority by resolution or by State Statute. State statute authorizes the Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

The 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.

O. Interfund Activity

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

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are charges for services and other related revenues for self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.

Q. 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.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

S. Implementation of New Accounting Principles

For the fiscal year ended June 30, 2023, the District has implemented GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 93, paragraphs 13 and 14, *Replacement of Interbank Offered Rates*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Available Payment Arrangements,* GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and certain provisions of GASB Statement No. 99, *Omnibus 2022*.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the District.

GASB Statement No. 93, paragraphs 13 and 14, provide an exception to the lease modifications guidance in GASB Statement No. 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The implementation of GASB Statement No. 93 paragraphs 13 and 14, did not have an effect on the financial statements of the District.

GASB Statement No. 94 improves financial reporting by establishing the definitions of public-private and public-public partnership arrangements and availability payment arrangements as well as provides uniform guidance on accounting and financial reporting for transactions that meet the definitions. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the District.

GASB Statement No. 96 improves financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The statement also enhances the relevance and reliability of the financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and discloses essential information about the arrangement. The note disclosures also allow the users to understand the scale and important aspects of the SBITA activities and evaluate the obligations and assets resulting from the SBITAs. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the District.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to extension of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, and pledges of future revenues by pledging governments, did not have an effect on the financial statements of the District.

NOTE 3: BUDGETARY BASIS OF ACCOUNTING

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

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

2. Expenditures/expenses are recorded when paid in cash (budget) rather than when the liability is incurred (GAAP).

3. Encumbrances are treated as expenditure (budget) rather than as a component of restricted, committed or assigned fund balance (GAAP).

4. Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile GAAP basis statement to the budgetary basis statement on a fund type basis for the general fund:

Net Change in Fund Balance

GAAP Basis	$ 1,269,717
Net Adjustment for Revenue Accruals	453,248
Net Adjustment for Expenditure Accruals	152,374
Funds Budgeted Elsewhere	(38,200)
Adjustment for Encumbrances	(276,654)
Budget Basis	$ 1,560,485

**As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* 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 unclaimed funds, uniform school supplies, special rotary, rotary, public school support, and portions of the special trust funds.

NOTE 4: DEPOSITS AND INVESTMENTS

State statues classify monies held by the District into three categories.

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

Inactive deposits are public deposits that the Board 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 which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit or by savings or deposit accounts including passbook accounts.

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

Interim monies to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities 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 that 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 that the term of the agreement must not exceed thirty days;

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

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

6. The State Treasurer’s investment pool (STAR Ohio).

7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days and two hundred seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time; and

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

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

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

Deposits - At fiscal year-end, $3,548,133 of the District's bank balance of $4,029,653 was exposed to custodial credit risk. Although the securities were held by the pledging financial institutions' trust department in the District's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

Funds Held by Fiscal Agent

The District participates in the Jefferson Health Plan for employee benefits. All benefit deposits are made to the Plan's depository account. Collateral is held by a qualified third-party trustee in the name of the Plan.

Funds Held in Segregated Accounts

The funds for the local portion of the OFCC building project are maintained separately from the District's deposits. The carrying amount of the deposits is reported as "Cash and Cash Equivalents in Segregated Accounts."

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of a bank failure, the District will not be able to recover deposits or collateral securities that are in possession of an outside party.

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

- Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

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

			Investment Maturities in Months			
Ratings	Investment	Measurement Amount	0-12	13-36	Over 36	% Total
	Net Asset Value (NAV):					
AAAm	STAR Ohio	$ 18,750,384	$ 18,750,384	$ -	$ -	72.30%
AAAm	Money Market	35,891	35,891	-	-	0.14%
	Fair Value:					
N/A	Negotiable Certificates of Deposit	2,257,459	931,945	615,425	710,089	8.70%
AA+	Federal Farm Credit Bank	742,532	194,373	371,409	176,750	2.86%
AA+	Federal Home Loan Bank	2,609,160	438,466	1,100,651	1,070,043	10.06%
AA+	Federal Home Loan Mortgage Corporation	947,967	244,595	555,838	147,534	3.66%
AA+	Federal National Mortgage Association	592,199	-	592,199	-	2.28%
	Total	$ 25,935,592	$ 20,595,654	$ 3,235,522	$ 2,104,416	100.00%

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

Interest Rate Risk The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The District's policy is to follow State statute which is to invest funds with the highest interest rate bid.

Credit Risk STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2023, is 39 days. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk The District places no limit on the amount that may be invested in any one issuer.

NOTE 5: PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the 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 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 semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2023 represents collections of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2023 became a lien December 31, 2021, were levied after April 1, 2022 and are collected in 2023 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 District receives property taxes from Ashland, Crawford, Huron, Morrow, Marion, Richland, Seneca, and Wyandot Counties. The County Auditor periodically advances to the 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 of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent 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.

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

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

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	$ 2,441,118,160	76%	$ 2,464,415,010	76%
Public Utility	780,632,680	24%	798,371,350	24%
Total	$ 3,221,750,840	100%	$ 3,262,786,360	100%
Full Tax Rate per $1,000 of assessed valuation	$ 3.70		$ 3.70	

NOTE 6: RECEIVABLES

Receivables at June 30, 2023 consisted of taxes, accounts (billings for user charged services and student fees), interfund and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of the State programs, and the current fiscal year guarantee of Federal funds.

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NOTE 7: CAPITAL ASSETS

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

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
Governmental Activities				
Capital Assets not being depreciated/amortized:				
Land	$ 25,000	$ -	$ -	$ 25,000
Construction in Progress	123,680	78,732	(123,680)	78,732
Total Capital Assets, not being depreciated	148,680	78,732	(123,680)	103,732
Capital Assets, being depreciated/amortized:				
Building and Improvements	33,610,676	257,465	-	33,868,141
Furniture and Equipment	5,943,648	83,463	(100,767)	5,926,344
Intangible right to use, Furniture and Equipment	357,564	146,000	(219,122)	284,442
Vehicles	744,747	10,833	(15,539)	740,041
Total Capital Assets, being depreciated/amortized	40,656,635	497,761	(335,428)	40,818,968
Less Accumulated Depreciation/Amortization:				
Building and Improvements	(9,880,878)	(595,060)	-	(10,475,938)
Furniture and Equipment	(4,196,665)	(274,218)	88,295	(4,382,588)
Intangible right to use, Furniture and Equipment	(255,670)	(17,032)	219,122	(53,580)
Vehicles	(656,448)	(29,218)	15,539	(670,127)
Total Accumulated Depreciation/Amortization	(14,989,661)	(915,528) *	322,956	(15,582,233)
Total Capital Assets being depreciated/amortized, net	25,666,974	(417,767)	(12,472)	25,236,735
Governmental Activities Capital Assets, net	$ 25,815,654	$ (339,035)	$ (136,152)	$ 25,340,467

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

Instruction:	
Regular	$ 45,524
Special	10,957
Vocational	592,867
Adult/Continuing	4,062
Support Services:	
Pupil	4,750
Administration	56,027
Fiscal	1,612
Business	333
Operation and Maintenance of Plant	86,710
Central	31,196
Food Service	44,723
Extracurricular Activities	36,767
Total Depreciation/Amortization Expense	$ 915,528

NOTE 8: RISK MANAGEMENT

A. General Insurance

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, natural disasters and injuries to employees (also covered with Worker's Compensation coverage as required by Ohio State statute). The District contracted with Schools of Ohio Risk Sharing Authority (SORSA) for general liability, school board legal liability, employee benefits liability, auto liability, property, crime coverage, and cyber liability coverage. General liability has a $15,000,000 per occurrence (no deductible), $17,000,000 aggregate limit. Crime coverage is also provided with a limit of $1,000,000 for public employee dishonesty, forgery, computer fraud and money and securities with a $1,000 deductible. The $1,000,000 crime limit applies separately to each line of crime coverage.

Automobile physical damage is covered with a policy providing Actual Cash Value (ACV) for physical damage or cost of repair, whichever is less, with no deductible. Automobile liability has a $15,000,000 limit of liability per accident or loss for bodily injury and property damage. Educator's legal liability policy is provided by SORSA in the amount of $15,000,000 per occurrence, $15,000,000 aggregate limit, with a $1,000 deductible for each wrongful act.

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in coverage from prior year.

B. Workers' Compensation

The District participates in a Workers' Compensation Group Retrospective Program. The Group Retrospective is a performance based refund program in which participating employers pay their annual premiums as scheduled. The BWC will then conduct three (3) annual evaluations following the completion of the retro year to determine refund opportunities. Sheakley Uniservice also provides a comprehensive suite of risk management and safety solutions that can help you save time, decrease accidents, ensure compliance, and reduce your overall costs. Available services include PERRP recordkeeping, drug & alcohol program management, safety training, return-to-work programs, unemployment administration and hearing representation.

C. Employee Health Insurance

The District has elected to provide employee medical/surgical benefits through a self-insured program, which is administered through The Jefferson Health Plan. The District maintains a self-insurance internal service fund to account for and finance its uninsured risk of loss in this program. The Plan provides a medical/surgical plan, with a $150 single and $300 family deductible per year. The Plan also provides dental and vision care. The third-party administrator reviews and pays all claims. The administrator purchases stop-loss coverage of $50,000 per claim. The District pays into the self-insurance internal service fund, on a per-month basis, $2,429 for family health coverage and $903 for single coverage. The District also offers an HSA plan at a monthly cost of $1,951 for family coverage and $725 for individual health coverage. Dental insurance is Board paid at a monthly cost of $114 for family and individual dental coverage, $15 for family vision coverage, and $7 for individual vision coverage. The employee is responsible for contributing 12 percent of health coverage premiums, and the Board of Education is responsible for paying the remainder.

The claims liability of $144,933 reported at June 30, 2023 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, as amended by GASB Statement No. 30, Risk Financing Omnibus, which requires that a liability for unpaid claims cost, including estimates of cost relating to incurred but not reported claims, be reported.

Changes in the fund's claim liability for 2022 and 2023 are listed below.

	Balance Beginning of Year	Current Year Claims	Claims Payments	Balance End of Year
2022	$ 226,311	$ 3,118,645	$ 3,049,596	$ 295,360
2023	295,360	2,768,291	2,918,718	144,933

NOTE 9: OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation, personal and sick leave benefits are derived from negotiated agreements and state laws. All employees earn three days of personal leave per year.

Classified employees earn ten to twenty-five days of vacation per fiscal year, depending upon length of service. Vacation days may accumulate equal to two years of vacation. Accumulated, unused vacation time is paid to classified employees 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-half days per month. Sick leave may be accumulated to a maximum of 235 days for certified personnel and 260 days for classified personnel. There is no carryover or conversion of personal leave.

Employees retiring with a minimum of three years of service with the District will be paid for one-third of accumulated, unused sick leave credit, not to exceed 75 days. Upon completion of ten or more years of service to the District, and first year eligible (according to the appropriate retirement system rules) retirement from the profession, payment is made for one-half of accumulated, unused sick leave credit with no cap.

B. Life Insurance

The District provides $40,000 for staff members and 2.5 times administrative salary in life insurance and accidental death and dismemberment insurance to its general employees and to its administrators, respectively, through Madison National Life Insurance.

NOTE 10 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability (Asset)

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

The net pension/OPEB liability (asset) represents the District's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension 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 this estimate annually.

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

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

The 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 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 11 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire 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, may be included in this plan.

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the 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 District's contractually required contribution to SERS was $296,359 for fiscal year 2023. Of this amount, $4,631 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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. Effective August 1, 2017 – July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019 – July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to 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 2023 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2023, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was $1,374,636 for fiscal year 2023. Of this amount, $160,466 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows/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 independent actuarial valuation as of that date. The District's proportion of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.0814044%	0.07582894%	
Prior Measurement Date	0.0883336%	0.07819195%	
Change in Proportionate Share	-0.0069292%	-0.00236301%	
Proportionate Share of the Net Pension Liability	$ 4,402,983	$ 16,856,868	$ 21,259,851
Pension Expense	$ 140,446	$ 1,946,379	$ 2,086,825

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period.

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ 178,324	$ 215,791	$ 394,115
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	586,582	586,582
Changes of Assumptions	43,444	2,017,261	2,060,705
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	41,148	368,169	409,317
District Contributions Subsequent to the Measurement Date	296,359	1,374,636	1,670,995
Total Deferred Outflows of Resources	$ 559,275	$ 4,562,439	$ 5,121,714

Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 28,904	$ 64,482	$ 93,386
Net Difference between Projected and Actual Earnings on Pension Plan Investments	153,644	-	153,644
Changes of Assumptions	-	1,518,418	1,518,418
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	258,577	578,235	836,812
Total Deferred Inflows of Resources	$ 441,125	$ 2,161,135	$ 2,602,260

$1,670,995 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (71,903)	$ (30,135)	$ (102,038)
2025	(142,154)	(163,393)	(305,547)
2026	(219,484)	(489,365)	(708,849)
2027	255,332	1,709,561	1,964,893
Total	$ (178,209)	$ 1,026,668	$ 848,459

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 and June 30, 2021, are presented below:

Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent, net of investment expense, including inflation
COLA or Ad Hoc COLA	2.00 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement

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 two 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 five years and adjusted 103.3 percent for males and set forward three years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

The long-term return expectation for the 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.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

Sensitivity of the 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 District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District'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	Current Discount Rate	1% Increase
District's Proportionate Share of the Net Pension Liability	$ 6,480,981	$ 4,402,983	$ 2,652,298

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation, are presented below:

Inflation	2.50 percent
Salary Increases	
Current Measurement Period	Varies by service from 2.50 percent to 8.50 percent
Prior Measurement Period	Varies by age from 2.50 percent to 12.50 percent
Payroll Increases	3.00 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Cost-of-Living Adjustments (COLA)	0.00 percent effective July 1, 2017

For 2022, post-retirement mortality rates for healthy retirees 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 for healthy retirees 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. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, 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, were based on the results of the latest available actuarial experience study, which is 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 as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net Pension Liability	$ 25,464,592	$ 16,856,868	$ 9,577,400

Changes between the Measurement Date and the Reporting Date The discount rate was adjusted to 7.00 percent for the June 30, 2022 valuation. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

NOTE 11 - DEFINED BENEFIT OPEB PLANS

See Note 10 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was $39,512, which is reported as an intergovernmental payable. 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 District's contractually required contribution to SERS was equal to its surcharge obligation for fiscal year 2023.

Plan Description - State Teachers Retirement System (STRS)

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

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. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/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 District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.0803612%	0.07582894%	
Prior Measurement Date	0.0868490%	0.07819200%	
Change in Proportionate Share	-0.0064878%	-0.00236306%	
Proportionate Share of the Net OPEB Liability (Asset)	$ 1,128,280	$ (1,963,464)	
OPEB Expense	$ (110,676)	$ (345,959)	$ (456,635)

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in OPEB expense beginning in the current period, using a straight-line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five-year period.

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ 9,484	$ 28,467	$ 37,951
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	5,864	34,176	40,040
Changes of Assumptions	179,468	83,637	263,105
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	74,222	29,386	103,608
District Contributions Subsequent to the Measurement Date	39,512	-	39,512
Total Deferred Outflows of Resources	$ 308,550	$ 175,666	$ 484,216

Deferred Inflows of Resources						
Differences between Expected and Actual Experience	$	721,726	$	294,880	$	1,016,606
Changes of Assumptions		463,170		1,392,293		1,855,463
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions		280,665		27,434		308,099
Total Deferred Inflows of Resources	$	1,465,561	$	1,714,607	$	3,180,168

$39,512 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction/addition to the net OPEB liability/asset in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

		SERS		STRS		Total
Fiscal Year Ending June 30:						
2024	$	(260,520)	$	(442,477)	$	(702,997)
2025		(264,941)		(443,508)		(708,449)
2026		(231,795)		(219,164)		(450,959)
2027		(146,462)		(87,647)		(234,109)
2028		(104,698)		(114,266)		(218,964)
Thereafter		(188,107)		(231,879)		(419,986)
Total	$	(1,196,523)	$	(1,538,941)	$	(2,735,464)

Actuarial Assumptions - SERS

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

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

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

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

Inflation	2.40 percent
Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Fiduciary Net Position Depletion	Projected to be 2044
Municipal Bond Index Rate	
Measurement Date	3.69 percent
Prior Measurement Date	1.92 percent
Single Equivalent Interest Rate	
Measurement Date	4.08 percent, net of plan investment expense, including price inflation
Prior Measurement Date	2.27 percent, net of plan investment expense, including price inflation
Health Care Cost Trend Rate	
Medicare	5.125 percent - 4.40 percent
Pre-Medicare	6.750 percent - 4.40 percent
Medical Trend Assumption	7.00 percent - 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.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
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 Strategies	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08 percent. The discount rate used to measure total OPEB liability prior to June 30, 2022 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 plan 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 District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.08 percent) and higher (5.08 percent) than the current discount rate (4.08 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (6.00 percent decreasing to 3.40 percent) and higher (8.00 percent decreasing to 5.40 percent) than the current rate (7.00 percent decreasing to 4.40 percent).

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	$ 1,401,340	$ 1,128,280	$ 907,845

	1% Decrease	Current Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	$ 870,106	$ 1,128,280	$ 1,465,496

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation are presented below:

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

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

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

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

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

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

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate 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	Current Discount Rate	1% Increase
District's Proportionate Share of the Net OPEB (Asset)	$ (1,815,170)	$ (1,963,464)	$ (2,090,489)

	1% Decrease	Current Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB (Asset)	$ (2,036,589)	$ (1,963,464)	$ (1,871,160)

NOTE 12: INTERFUND TRANSFERS

A. Interfund Transfers

Transfers made during fiscal year 2023 were as follows:

Funds	Transfer In	Transfer Out
General Fund	$ -	$ 576,921
Nonmajor Governmental Funds	576,921	
	$ 576,921	$ 576,921

The general fund transferred to nonmajor governmental permanent improvement and adult education funds to provide for various capital improvements and normal operating expenses.

Interfund transfers between governmental funds are eliminated in the statement of activities.

B. Interfund Balances

Interfund receivable/payable at June 30, 2023 consisted of the following:

Funds	Interfund Receivable	Interfund Payable
General Fund	$ 59,000	$ -
Nonmajor Governmental Funds	-	59,000
	$ 59,000	$ 59,000

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2023, all interfund loans outstanding are anticipated to be repaid in fiscal year 2023.

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NOTE 13: LONG-TERM OBLIGATIONS

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

	Balance 6/30/2022	Additions	Deductions	Balance 6/30/2023	Due Within One Year
Certificates of Participation 2015	8,405,000	-	(435,000)	7,970,000	455,000
Post Employment Liability					
Net Pension Liability	13,256,797	8,003,054	-	21,259,851	-
Net OPEB Liability	1,643,685	-	(515,405)	1,128,280	-
Total Post Employment Liability	14,900,482	8,003,054	(515,405)	22,388,131	-
Other Long-Term Obligations:					
Leases Payable	116,380	140,089	(88,667)	167,802	52,235
Compensated Absences	1,410,563	353,876	(554,292)	1,210,147	343,053
Total Other Long-Term Obligations	1,526,943	493,965	(642,959)	1,377,949	395,288
Total General Long-Term Obligations	$ 24,832,425	$ 8,497,019	$ (1,593,364)	$ 31,736,080	$ 850,288

On March 18, 2015, the District issued $9,515,000 in certificates of participation ("COPs") to partially refund the District's 2008 COPs. The COPs bear interest rates ranging from 4.50 percent to 5.125 percent. Interest payments on the COPs are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2036. Principal and interest payments are made from the general fund.

In the event of default of the remaining COP, the amounts payable by the District may become due. If payments are not made, the lessor may retake possession of the project (secured asset), including but not limited to equipment and furniture. Additionally, the lessor has the option to sublease the project facilities, holding the District liable for all lease payments and other payments due prior to the effective date of the sublease and for the difference between the rental and other amounts paid by the subleases pursuant to such sublease and the amounts payable by the District pursuant to the lease during the then current lease term.

The District is reporting the following leases:

Item Leased	Lease Entered	Lease Term (months)	Interest Rate	Lease End
Copier	November 2017	63	9.662%	April 2023
Copiers	July 2018	60	7.500%	August 2023
Copiers	December 2019	60	9.065%	January 2025
Postage Machine	December 2020	60	9.638%	December 2025
Copiers	December 2022	60	5.130%	November 2027

The District has implemented GASB Statement 87 for leases, however, except for the lease entered into in December 2022, it has not re-evaluated the leases above under the GASB Statement 87 model. The leases were previously reported under the GASB Statement 62 model, and any amounts resulting from re-evaluation are anticipated to be immaterial, if not below "trivial" amounts. As a result, the District has decided to continue with the values under GASB 62 amounts. Any new leases entered as of fiscal year 2023 are being reported and calculated under the GASB 87 model.

Compensated absences will be paid from the fund from which the employee is paid, which for the District is primarily the general fund. The District pays obligations related to employee compensation from the fund benefitting from their service.

Principal and interest requirements to retire long-term obligations outstanding at June 30, 2023 are as follows:

Fiscal Year	Certificates of Participation		Leases	
Ending June 30	Principal	Interest	Principal	Interest
2024	$ 455,000	$ 269,514	$ 52,235	$ 8,629
2025	470,000	251,014	42,365	5,031
2026	490,000	234,264	29,807	3,069
2027	505,000	219,339	30,304	1,520
2028	520,000	203,639	13,091	170
2029-2033	2,860,000	743,525	$ 167,802	$ 18,419
2034-2037	2,670,000	202,384		
	$ 7,970,000	$ 2,123,679		

NOTE 14: SET-ASIDES

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

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

	Capital Improvement Reserve
Set-aside Reserve Balance as of June 30, 2022	$ -
Current Year Set Aside Requirement	276,284
Current Year Offsets	(400,000)
Total	$ (123,716)
Balance Carried Forward to Fiscal Year 2024	$ -
Set-aside Reserve Balance as of June 30, 2023	$ -

Although the District had current year offsets during the fiscal year that reduced the set-aside amount to below zero, this amount may not be used to reduce the set aside requirement for future years. The negative balance is, therefore, not presented as being carried forward to future years.

NOTE 15: FUND BALANCE

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

	General	Other Governmental Funds	Total
Nonspendable for:			
Unclaimed Funds	$ 23,945	$ -	$ 23,945
Total Nonspendable	23,945	-	23,945
Restricted for:			
Capital Projects	-	3,127,217	3,127,217
Classroom Facilities Maintenance	-	2,661,789	2,661,789
Adult Education	-	28,428	28,428
Students	-	356,761	356,761
Other Purposes	-	287,237	287,237
Total Restricted	-	6,461,432	6,461,432
Committed for:			
Capital Projects	-	201,301	201,301
Total Committed	-	201,301	201,301
Assigned for:			
Instruction	159,343	-	159,343
Support Services	101,368	-	101,368
Other Purposes	546,699	-	546,699
Capital Projects	-	1,357,918	1,357,918
Total Assigned	807,410	1,357,918	2,165,328
Unassigned	20,440,307	(10,421)	20,429,886
Total Fund Balance	$ 21,271,662	$ 8,010,230	$ 29,281,892

The GEER fund (nonmajor governmental) and vocational education fund (nonmajor governmental) had deficit fund balances of $1,723 and $8,698, respectively. Deficits in the nonmajor governmental funds resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and will provide transfers when cash is required, not when accruals occur.

NOTE 16: CONTINGENCIES

A. Grants

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

B. Litigation

The District is not party to any claims or lawsuits that would have a material effect on the basic financial statements.

NOTE 17: COMMITMENTS

A. Encumbrance Commitments

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed or assigned classifications of fund balance. At fiscal year end, the District's commitments for encumbrances are as follows:

Fund	Amount
General	$ 272,699
Nonmajor Governmental	344,465
	$ 617,164

NOTE 18: MISCELLANEOUS

Miscellaneous revenue of $1,750,000 in the classroom facilities fund (nonmajor governmental) primarily consists of settlement revenue in the OFCC project.

NOTE 19: SUBSEQUENT EVENT

Beginning at the end of fiscal year 2018 and ending in October 2018, replacement of the faulty HVAC system installed during the school renovations in 2009 to 2012 was completed. Funds from the original renovation budget were used to cover the costs of this replacement. The Ohio Attorney General's office sought recovery of funds for the replacement and filed a lawsuit to recover HVAC replacement costs. The lawsuit was settled in July 2022 and the School District received the settlement of $1,750,000 during the fiscal year. The Ohio Facilities Construction Commission (OFCC), which shared the cost of the project, closed out the project in September 2023 and the School District returned $1,909,570 to the OFCC.

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Pioneer Career and Technology Center
Richland County, Ohio
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

	2023	2022	2021	2020	2019
School Employees Retirement System (SERS)					
District's Proportion of the Net Pension Liability	0.0814044%	0.0883336%	0.0854389%	0.0872145%	0.0894114%
District's Proportionate Share of the Net Pension Liability	$ 4,402,983	$ 3,259,254	$ 5,651,109	$ 5,218,196	$ 5,120,756
District's Covered Payroll	$ 3,040,907	$ 3,067,264	$ 3,001,279	$ 2,992,007	$ 2,932,452
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	144.79%	106.26%	188.29%	174.40%	174.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%	71.36%
State Teachers Retirement System (STRS)					
District's Proportion of the Net Pension Liability	0.07582894%	0.07819195%	0.07559287%	0.07752947%	0.07664719%
District's Proportionate Share of the Net Pension Liability	$ 16,856,868	$ 9,997,543	$ 18,290,785	$ 17,145,176	$ 16,852,996
District's Covered Payroll	$ 9,834,350	$ 9,663,914	$ 9,225,200	$ 9,179,543	$ 8,755,436
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	171.41%	103.45%	198.27%	186.78%	192.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%	77.40%	77.31%

The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

2018	2017	2016	2015	2014
0.0880513%	0.0981278%	0.0970477%	0.1010960%	0.1010960%
$ 5,260,871	$ 7,182,050	$ 5,537,636	$ 5,116,411	$ 6,011,855
$ 3,131,200	$ 3,051,471	$ 2,923,050	$ 2,988,312	$ 2,745,484
168.01%	235.36%	189.45%	171.21%	218.97%
69.50%	62.98%	69.16%	71.70%	65.52%
0.07508419%	0.07405316%	0.07447653%	0.07443163%	0.07443163%
$ 17,836,410	$ 24,787,825	$ 20,583,134	$ 18,104,348	$ 21,565,781
$ 8,221,464	$ 7,964,650	$ 7,878,943	$ 7,703,738	$ 8,386,423
216.95%	311.22%	261.24%	235.01%	257.15%
75.30%	66.80%	72.10%	74.70%	69.30%

Pioneer Career and Technology Center
Richland County, Ohio
Required Supplementary Information
Schedule of District Contributions - Pension
Last Ten Fiscal Years

	2023	2022	2021	2020	2019
School Employees Retirement System (SERS)					
Contractually Required Contribution	$ 296,359	$ 425,727	$ 429,417	$ 420,179	$ 403,921
Contributions in Relation to the Contractually Required Contribution	(296,359)	(425,727)	(429,417)	(420,179)	(403,921)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 2,116,850	$ 3,040,907	$ 3,067,264	$ 3,001,279	$ 2,992,007
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.50%
State Teachers Retirement System (STRS)					
Contractually Required Contribution	$ 1,374,636	$ 1,376,809	$ 1,352,948	$ 1,291,528	$ 1,285,136
Contributions in Relation to the Contractually Required Contribution	(1,374,636)	(1,376,809)	(1,352,948)	(1,291,528)	(1,285,136)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 9,818,829	$ 9,834,350	$ 9,663,914	$ 9,225,200	$ 9,179,543
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%

See notes to the required supplementary information

2018	2017	2016	2015	2014
$ 395,881	$ 438,368	$ 427,206	$ 385,258	$ 414,180
(395,881)	(438,368)	(427,206)	(385,258)	(414,180)
$ -	$ -	$ -	$ -	$ -
$ 2,932,452	$ 3,131,200	$ 3,051,471	$ 2,923,050	$ 2,988,312
13.50%	14.00%	14.00%	13.18%	13.86%
$ 1,225,761	$ 1,151,005	$ 1,115,051	$ 1,103,052	$ 1,001,486
(1,225,761)	(1,151,005)	(1,115,051)	(1,103,052)	(1,001,486)
$ -	$ -	$ -	$ -	$ -
$ 8,755,436	$ 8,221,464	$ 7,964,650	$ 7,878,943	$ 7,703,738
14.00%	14.00%	14.00%	14.00%	13.00%

See notes to the required supplementary information

Pioneer Career and Technology Center
Richland County, Ohio
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)
Last Seven Fiscal Years (1)

	2023	2022	2021	2020
School Employees Retirement System (SERS)				
District's Proportion of the Net OPEB Liability	0.0803612%	0.0868490%	0.0835690%	0.0848100%
District's Proportionate Share of the Net OPEB Liability	$ 1,128,280	$ 1,643,685	$ 1,816,230	$ 2,132,786
District's Covered Payroll	$ 3,040,907	$ 3,067,264	$ 3,001,279	$ 2,992,007
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	37.10%	53.59%	60.52%	71.28%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%	15.57%
State Teachers Retirement System (STRS)				
District's Proportion of the Net OPEB Liability/(Asset)	0.07582894%	0.07819200%	0.07559300%	0.07752900%
District's Proportionate Share of the Net OPEB Liability/(Asset)	$ (1,963,464)	$ (1,648,614)	$ (1,328,545)	$ (1,284,066)
District's Covered Payroll	$ 9,834,350	$ 9,663,914	$ 9,225,200	$ 9,179,543
District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	-19.97%	-17.06%	-14.40%	-13.99%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	230.73%	174.73%	182.10%	174.70%

(1) Information prior to 2017 is not available.

The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

2019	2018	2017
0.0887818%	0.0866118%	0.0963362%
$ 2,463,047	$ 2,324,433	$ 2,745,937
$ 2,932,452	$ 3,131,200	$ 3,051,471
83.99%	74.23%	89.99%
13.57%	12.46%	11.49%
0.07664719%	0.07508419%	0.07405316%
$ (1,231,642)	$ 2,929,508	$ 3,960,382
$ 8,755,436	$ 8,221,464	$ 7,964,650
-14.07%	35.63%	49.72%
176.00%	47.10%	37.30%

See notes to the required supplementary information

Pioneer Career and Technology Center
t
Required Supplementary Information
Schedule of District Contributions - OPEB
Last Ten Fiscal Years

	2023	2022	2021	2020	2019
School Employees Retirement System (SERS)					
Contractually Required Contribution (1)	$ 39,512	$ 37,773	$ 36,240	$ 29,609	$ 54,370
Contributions in Relation to the Contractually Required Contribution	(39,512)	(37,773)	(36,240)	(29,609)	(54,370)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 2,116,850	$ 3,040,907	$ 3,585,014	$ 3,001,279	$ 2,992,007
OPEB Contributions as a Percentage of Covered Payroll (1)	1.87%	1.24%	1.01%	0.95%	1.82%
State Teachers Retirement System (STRS)					
Contractually Required Contribution (1)	$ -	$ -	$ -	$ -	$ -
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$9,818,829	$9,834,350	$9,138,157	$9,225,200	$ 9,179,543
OPEB Contributions as a Percentage of Covered Payroll (1)	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

2018	2017	2016	2015	2014
$ 61,052	$ 35,422	$ 35,422	$ 56,350	$ 41,438
(61,052)	(35,422)	(35,422)	(56,350)	(41,438)
$ -	$ -	$ -	$ -	$ -
$ 2,932,452	$ 3,131,200	$ 3,051,471	$ 2,923,050	$ 2,988,312
2.08%	1.13%	1.16%	1.93%	1.39%
$ -	$ -	$ -	$ -	$ 77,037
-	-	-	-	(77,037)
$ -	$ -	$ -	$ -	$ -
$ 8,755,436	$ 8,221,464	$ 7,964,650	$ 7,878,943	$ 7,703,738
0.00%	0.00%	0.00%	0.00%	1.00%

NOTE 1 - NET PENSION LIABILITY

There were no changes in assumptions or benefit terms for the fiscal years reported unless otherwise stated below:

Changes in Assumptions - SERS

For fiscal year 2021, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.00 percent to 2.40 percent
- Payroll growth assumption was reduced from 3.50 percent to 1.75 percent
- Assumed real wage growth was reduced from 0.50 percent to 0.85 percent
- Discount rate was reduced from 7.50 percent to 7.00 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For fiscal year 2017, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.25 percent to 3.00 percent
- Payroll Growth Assumption was reduced from 4.00 percent to 3.50 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.50 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females.
- Mortality among service retired members, and beneficiaries was updated to 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 members was updated to 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.

Changes in Benefit Terms - SERS

For fiscal year 2022, cost-of-living adjustments were increased from 2.00 percent to 2.50 percent.

For fiscal year 2021, cost-of-living adjustments were reduced from 2.50 percent to 2.00 percent.

For fiscal year 2018, 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 2.50 percent with a floor of zero 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 calendar years 2018, 2019 and 2020.

Changes in Assumptions – STRS

For fiscal year 2022, the Retirement Board approved several changes to the actuarial assumptions. The salary increases were where changed from 12.50 percent at age 20 to 2.50 percent at age 65 to varying by service from 2.50 percent to 8.50 percent. The healthy and disabled mortality assumptions were updated to the Pub-2010 mortality tables with generational improvement scale MP-2020.

For fiscal year 2021, the long term expected rate of return was reduced from 7.45 percent to 7.00 percent.

For fiscal year 2018, the Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated 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.

Changes in Benefit Terms - STRS

For fiscal year 2018, the cost-of-living adjustment (COLA) was reduced to zero.

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:

Fiscal Year 2023	1.92 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

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

Fiscal year 2023	2.27 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Pre-Medicare Trend Assumption

Fiscal year 2023	6.75 percent initially, decreasing to 4.40 percent
Fiscal year 2022	6.75 percent initially, decreasing to 4.40 percent
Fiscal year 2021	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2020	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2019	7.25 percent initially, decreasing to 4.75 percent
Fiscal year 2018	7.50 percent initially, decreasing to 4.00 percent

Medicare Trend Assumption

Fiscal Year 2023	7.00 percent initially, decreasing to 4.40 percent
Fiscal year 2022	5.125 percent initially, decreasing to 4.40 percent
Fiscal year 2021	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2020	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2019	5.375 percent initially, decreasing to 4.75 percent
Fiscal year 2018	5.50 percent initially, decreasing to 5.00 percent

Changes in Benefit Terms – SERS

There have been no changes to the benefit provisions.

Changes in Assumptions – STRS

For fiscal year 2022, the healthy and disabled mortality assumptions were updated to the RPub-2010 mortality tables with generational improvement scale MP-2020. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

For fiscal year 2022, the following changes were made to the actuarial assumptions:

- Projected salary increases from 3.25 to 10.75 percent, including wage inflation to varying by service from 2.50 to 8.50 percent
- Medicare medical health care cost trends from -16.18 percent initial to -68.78 percent initial and 4.00 percent ultimate to 3.94 percent ultimate
- Medicare prescription drug health care cost trends from 29.98 percent initial to -5.47 percent initial and 4.00 percent ultimate to 3.94 percent ultimate

For fiscal year 2021, valuation year per capita health care costs were updated. Health care cost trend rates ranged from -5.20 percent to 9.60 percent initially for fiscal year 2020 and changed for fiscal year 2021 to a range of -6.69 percent to 11.87 percent, initially.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent. Valuation year per capita health care costs were updated. Health care cost trend rates ranged from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate for fiscal year 2018 and changed for fiscal year 2019 to a range of -5.20 percent to 9.60 percent, initially and a 4.00 ultimate rate.

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Changes in Benefit Terms – STRS

For fiscal year 2021, there were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 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 .1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. This was subsequently extended, see above paragraph.

SUPPLEMENTARY INFORMATION

PIONEER CAREER AND TECHNOLOGY CENTER
RICHLAND COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	TOTAL EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Ohio Department of Education			
Child Nutrition Cluster:			
School Breakfast Program	10.553	2022	$ 22,265
School Breakfast Program	10.553	2023	50,830
Total School Breakfast Program			73,095
National School Lunch Program	10.555	2022	97,559
COVID-19 - National School Lunch Program - CN COVID PRO MANF	10.555	COVID-19, 2023	8,195
National School Lunch Program	10.555	2023	217,796
National School Lunch Program - Food Donation	10.555	2023	17,167
Total National School Lunch Program			340,717
Total Child Nutrition Cluster			413,812
COVID-19 - State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	COVID-19, 2022	614
COVID-19 - State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	COVID-19, 2023	628
Total State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant			1,242
Total U.S. Department of Agriculture			415,054
U.S. DEPARTMENT OF TREASURY			
Passed Through Ohio Office of Budget and Management			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - School Safety Round #2	21.027	COVID-19	50,000
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - School Safety Round #4	21.027	COVID-19	50,000
Total Coronavirus State and Local Fiscal Recovery Funds			100,000
Total U.S. Department of Treasury			100,000
U.S. FEDERAL COMMUNICATIONS COMMISSION			
Direct			
COVID-19 - Emergency Connectivity Fund Program - Services	32.009	COVID-19, 2022	3,788
COVID-19 - Emergency Connectivity Fund Program - Services	32.009	COVID-19, 2022	4,268
Total Emergency Connectivity Fund Program			8,056
Total U.S. Federal Communications Commisson			8,056
U.S. DEPARTMENT OF EDUCATION			
Passed Through the Ohio Department of Education			
Career and Technical Education Basic Grants to States - Carl D. Perkins Secondary	84.048A	84.048A, 2022	110,667
Career and Technical Education Basic Grants to States - Carl D. Perkins Secondary	84.048A	84.048A, 2023	210,675
Consortium/Partnership Member On-Behalf Grants (Proportionate Member Share)			
Partnership Lead - Ashland County West-Holmes JVSD			
Career and Technical Education Basic Grants to States	84.048A	84.048A, 2023	18,006
Total Career and Technical Education Basic Grants to States			339,348
Direct			
Student Financial Assistance Cluster:			
Federal Pell Grant Program	84.063	N/A	17,809
Total Student Financial Assistance Cluster			17,809
Passed Through the Ohio Department of Education			
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	COVID-19, 84.425C, 2023	4,321
COVID-19 - Governor's Emergency Education Relief (GEER II) Fund	84.425C	COVID-19, 84.425C, 2023	217,556
Total Education Stabilization Fund (ESF)			221,877
Total U.S. Department of Education			579,034
Total Expenditures of Federal Awards			$ 1,102,144

The accompanying notes are an integral part of this schedule.

PIONEER CAREER AND TECHNOLOGY CENTER
RICHLAND COUNTY, OHIO

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

NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Pioneer Career and Technology Center under programs of the federal government for the fiscal year ended June 30, 2023 and is prepared in accordance with the cash basis of accounting. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Pioneer Career and Technology Center, it is not intended to and does not present the financial position, or changes in net position, or cash flows of the Pioneer Career and Technology Center. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited to reimbursement.

NOTE 2 – DE MINIMIS COST RATE

CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. Pioneer Career and Technology Center has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – CHILD NUTRITION CLUSTER

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

NOTE 4 – FOOD DONATION PROGRAM

The Pioneer Career and Technology Center reports commodities consumed on the Schedule at the entitlement value. The Pioneer Career and Technology Center allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Pioneer Career and Technology Center
Richland County
27 Ryan Road
Shelby, Ohio 44875

To the Members of the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pioneer Career and Technology Center, Richland County, Ohio, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Pioneer Career and Technology Center's basic financial statements, and have issued our report thereon dated December 15, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Pioneer Career and Technology Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pioneer Career and Technology Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pioneer Career and Technology Center'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 Pioneer Career and Technology Center's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pioneer Career and Technology Center'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 Pioneer Career and Technology Center'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 Pioneer Career and Technology Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
December 15, 2023

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Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Pioneer Career and Technology Center
Richland County
27 Ryan Road
Shelby, Ohio 44875

To the Members of the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Pioneer Career and Technology Center's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Pioneer Career and Technology Center's major federal programs for the fiscal year ended June 30, 2023. The Pioneer Career and Technology Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Pioneer Career and Technology Center and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Pioneer Career and Technology Center's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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 Pioneer Career and Technology Center'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 Pioneer Career and Technology Center'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 generally accepted auditing standards, *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 Pioneer Career and Technology Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Pioneer Career and Technology Center'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 Pioneer Career and Technology Center'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 Pioneer Career and Technology Center'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Julian & Grube, Inc.

Julian & Grube, Inc.
December 15, 2023

PIONEER CAREER AND TECHNOLOGY CENTER
RICHLAND COUNTY, OHIO

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS		
(d)(1)(i)	*Type of Financial Statement Opinion*	Unmodified
*(d)(1)(*ii)	*Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?*	No
(d)(1)(ii)	*Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?*	No
(d)(1)(iii)	*Was there any reported material noncompliance at the financial statement level (GAGAS)?*	No
(d)(1)(iv)	*Were there any material weaknesses in internal control reported for major federal programs?*	No
(d)(1)(iv)	*Were there any significant deficiencies in internal control reported for major federal programs?*	No
(d)(1)(v)	*Type of Major Program's Compliance Opinion*	Unmodified
(d)(1)(vi)	*Are there any reportable findings under 2 CFR §200.516(a)?*	No
(d)(1)(vii)	*Major Program (listed):*	Education Stabilization Fund (ALN - 84.425)
(d)(1)(viii)	*Dollar Threshold: Type A/B Programs*	Type A: > $750,000 Type B: all others
(d)(1)(ix)	*Low Risk Auditee under 2 CFR § 200.520?*	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE
KEITH FABER

PIONEER CAREER AND TECHNOLOGY CENTER

RICHLAND 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
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