BELMONT HARRISON VOCATIONAL SCHOOL DISTRICT

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 2023

Wilson, Phillips & Agin, CPA's, Inc.
1100 Brandywine Blvd. Building G
Zanesville, Ohio 43701

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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Board of Education
Belmont - Harrison Vocational School District
68090 Hammond Road
St. Clairsville, Ohio 43950

We have reviewed the *Independent Auditor's Report* of the Belmont - Harrison Vocational School District, Belmont County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period July 1, 2021 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 Belmont - Harrison Vocational School District is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

March 06, 2024

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BELMONT HARRISON VOCATIONAL SCHOOL DISTRICT
BELMONT COUNTY

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WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT

Belmont Harrison Vocational School District
Belmont County
68090 Hammond Road
St. Clairsville, Ohio 43950

To the Board of Education:

Report on the Audit of the Financial Statements

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Belmont Harrison Vocational School District, Belmont County, Ohio as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 20 to the financial statements, during the year ended June 30, 2023, the impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it essential 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, consisting 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 and opinion or provide any other assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 12, 2023, on our consideration of the Belmont Harrison Vocational School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance and the results of that testing, and does not opine on 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 Belmont Harrison Vocational School District's internal control over financial reporting and compliance.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
December 12, 2023

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

Financial Highlights

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

- In total, net position increased $1,060,414.

- General revenues accounted for $8,961,540 in revenue or approximately 87 percent of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for $1,376,755 or approximately 13 percent of total revenues of $10,338,295.

- Total assets of governmental activities increased $6,621,466 primarily due to an increase in cash and cash equivalents. Total liabilities of governmental activities increased $8,068,636 primarily due to a increase in other long-term liabilities and net pension liability.

- The School District had $9,277,881 in expenses related to governmental activities; only $1,376,755 of these expenses were offset by program specific charges for services and sales and operating grants and contributions. General revenues of $8,961,540 were adequate to provide for these programs.

- Total governmental funds had $10,340,749 in revenues and $11,048,702 in expenditures. Overall, the net change in total governmental fund balances, including other financing sources (uses) was an increase of $3,777,047.

Using this Annual Financial Report

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

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

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's funds begins on page 11. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multiple of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Building Fund and 2021 Capital Projects Fund.

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

Reporting the School District's Fiduciary Responsibilities

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

The School District as a Whole

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

Table 1
Net Position
Governmental Activities

	2023	2022	Change
Assets			
Current and Other Assets	$16,993,627	$12,201,419	$4,792,208
Net OPEB Asset	699,884	589,466	110,418
Capital Assets	6,779,487	5,060,647	1,718,840
Total Assets	24,472,998	17,851,532	6,621,466
Deferred Outflows of Resources			
Pension	1,767,963	1,862,733	(94,770)
OPEB	201,582	263,413	(61,831)
Total Deferred Outflows of Resources	1,969,545	2,126,146	(156,601)
Liabilities			
Current and Other Liabilities	1,680,869	760,610	920,259
Long-Term Liabilities:			
Due Wthin One Year	370,403	105,218	265,185
Due in More than One Year:			
Net Pension Liability	7,246,627	4,457,400	2,789,227
Net OPEB Liability	324,281	460,023	(135,742)
Other Amounts	4,992,661	762,954	4,229,707
Total Liabilities	14,614,841	6,546,205	8,068,636
Deferred Inflows of Resources			
Property Taxes	3,675,040	3,535,052	139,988
Payment in Lieu of Taxes	33,200	18,036	15,164
Pension	989,372	3,853,639	(2,864,267)
OPEB	995,211	950,281	44,930
Total Deferred Inflows of Resources	5,692,823	8,357,008	(2,664,185)
Net Position			
Net Investment in Capital Assets	4,386,327	4,695,647	(309,320)
Restricted	368,044	299,535	68,509
Unrestricted (Deficit)	1,380,508	79,283	1,301,225
Total Net Position	$6,134,879	$5,074,465	$1,060,414

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

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

Total assets of governmental activities increased $6,621,466. Current and other assets increased $4,792,208. The increase in current and other assets is primarily due to increases in cash and cash equivalents, as the School District issued debt in the form of a long-term financed purchase agreement of which $3,133,894 remains on hand at fiscal year-end. The School District also reflects an OPEB asset in the amount of $699,884, a $110,418 increase from the prior year. Capital assets increased $1,718,840 due to the additions of a new roof and ongoing construction in progress related to the energy savings project.

Total liabilities increased $8,068,636. Current and other liabilities increased $920,259 due to primarily to increases in contract payable related to capital asset additions. Long-term liabilities increased $7,148,377, primarily due to an increase in net pension liability and the issuance of long-term debt in the form of a financed purchase agreement. The increase in net pension liability is due to the changes in assumptions, and changes in net investment income.

The School District's deferred inflows of resources decreased $2,664,185, primarily due to the previously mentioned change in the net difference between projected and actual earnings on pension plan investments.

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

Table 2
Changes in Net Postion
Governmental Activities

	2023	2022	Change
Revenues			
Program Revenues:			
Charges for Services and Sales	$163,083	$70,955	$92,128
Operating Grants and Contributions	1,213,672	1,195,385	18,287
Total Program Revenues	1,376,755	1,266,340	110,415
General Revenues:			
Property Taxes	3,862,274	3,697,337	164,937
Revenue in Lieu of Taxes	25,536	8,755	16,781
Grants and Entitlements not Restricted to Specific Programs	4,692,915	4,605,555	87,360
Investment Earnings	372,532	20,308	352,224
Others	8,283	27,761	(19,478)
Total General Revenues	8,961,540	8,359,716	601,824
Total Revenues	10,338,295	9,626,056	712,239
Program Expenses			
Instruction:			
Regular	315,663	265,379	50,284
Special	50,000	50,000	0
Vocational	4,824,358	4,140,494	683,864
Student Intervention Services	23,540	51,701	(28,161)
Support Services:			
Pupil	705,749	646,921	58,828
Instructional Staff	158,263	152,614	5,649
Board of Education	33,797	36,815	(3,018)
Administration	971,092	786,097	184,995
Fiscal	420,579	408,365	12,214
Operation and Maintenance of Plant	997,528	775,128	222,400
Pupil Transportation	9,286	9,733	(447)
Central	251,713	244,510	7,203
Food Service Operations	387,631	320,846	66,785
Extracurricular	64,744	29,577	35,167
Interest and Fiscal Charges	63,938	7,231	56,707
Total Expenses	9,277,881	7,925,411	1,352,470
Change in Net Position	1,060,414	1,700,645	(640,231)
Net Position Beginning of Year	5,074,465	3,373,820	1,700,645
Net Position End of Year	$6,134,879	$5,074,465	$1,060,414

In fiscal year 2023, approximately 37 percent of the School District's revenues were from property taxes, and approximately 45 percent were from unrestricted grants and entitlements. Charges for services program revenue increased $92,128 primarily due to an increase in food service operations charges for services as the COVID-era Federal programs that provided free lunch to all students were not extended into fiscal year 2023. The School District also reported an increase in investment earnings as result of increases in interest rates. Property tax revenue increased as the assessed valuation of the School District's taxing authority continues to trend upwards.

The School District receives revenue in lieu of taxes as part of Tax Increment Financing (TIF) agreements with the Village of Cadiz, Belmont County, and the City of St. Clairsville. See Note 7 for further details.

Instructional programs comprise approximately 56 percent of total governmental program expenses. Of the instructional expenses, approximately 93 percent is for vocational instruction, approximately 6 percent is for regular instruction, and the remaining is for special and student intervention services. Overall program expenses increased over the prior year in the amount of $1,352,470, primarily due to expenses related to pension and OPEB.

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

Table 3
Governmental Activities

	Total Cost of Service		**Net Cost of Services**	
	2023	**2022**	**2023**	**2022**
Program Expenses				
Instruction				
Regular	$315,663	$265,379	$315,663	$265,379
Special	50,000	50,000	0	0
Vocational	4,824,358	4,140,494	4,224,491	3,584,395
Student Intervention Services	23,540	51,701	156	(5,609)
Support Services				
Pupil	705,749	646,921	556,057	513,126
Instructional Staff	158,263	152,614	121,955	119,538
Board of Education	33,797	36,815	33,797	36,815
Administration	971,092	786,097	961,462	777,617
Fiscal	420,579	408,365	420,579	394,318
Operation and Maintenance of Plant	997,528	775,128	854,667	775,128
Pupil Transportation	9,286	9,733	9,286	9,733
Central	251,713	244,510	251,713	244,510
Food Service Operations	387,631	320,846	65,052	(63,108)
Extracurricular Activities	64,744	29,577	22,310	(2)
Interest and Fiscal Charges	63,938	7,231	63,938	7,231
Total Expenses	$9,277,881	$7,925,411	$7,901,126	$6,659,071

The dependence upon tax revenues and state subsidies for governmental activities is apparent as approximately 58 percent of instructional expenses are supported through taxes and other general revenues.

The School District Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. The School District's major funds are the General Fund, Building Fund, and the 2021 Capital Projects Fund.

The General Fund had $9,556,293 in revenues and $8,064,464 in expenditures. Overall, including transfers out, the General Fund's balance increased by $433,704. The increase is primarily due to increases in property taxes, intergovernmental revenue and investment earnings and other interest outpacing the increases in the costs of operations of the General Fund.

The Building Capital Projects Fund had $51,327 in revenues and $1,351,106 in expenditures. Overall, including the financed purchase other financing source, the Building Fund's balance increased by $3,185,221. The increase is primarily due to the issuance of a financed purchase from direct borrowing of which $3,133,894 remained unspent at fiscal year-end.

The 2021 Capital Projects Fund had $690,887 in expenditures. Overall, the 2021 Capital Projects Fund's balance decreased by $690,887. The decrease is due to capital outlay expenditure related to the new roof project.

General Fund Budgeting Highlights

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

During the course of fiscal 2023 the School District amended its General Fund appropriations, and the budgetary statement reflects both the original and final appropriated amounts. Final estimated revenues reflected modest increases in estimates for property taxes, intergovernmental revenues and a significant increase for interest. Final appropriations reflected a large increase in budgeted expenditures for vocational instruction. There were significant differences between budgeted and actual expenditures, as spending was less than budgeted in all categories, most notably vocational instruction expense and operation and maintenance of plant.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the School District had $6,779,487 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles, net of accumulated depreciation. See Note 9 for more detailed information of the School District's capital assets.

Debt

At June 30, 2023, the School District had $326,235 outstanding in 2013 Energy Conservation and School Improvement general obligation bonds, including bond premium, with $50,000 due within one year. The School District incurred $4,485,000 of outstanding long-term debt through a financed purchase agreement, with $263,000 due in one year. See Note 15 for more information regarding the School District's debt and other long-term obligations, including compensated absences, and net pension/OPEB liability.

Economic Factors

Belmont-Harrison Vocational School District continues to rely heavily on the State foundation. Despite various changes in funding models over recent years the School District experienced a small increase in State funding for fiscal year 2023. Another main source of revenue for the School District is local Real Estate and Public Utility Personal Property (PUPP) tax collections. The School District has experienced steady growth in revenue from these sources in past years. This is mainly contributed to the growth of the oil and gas industry in the area.

Additionally, with the growth of the oil and gas industry in the area, opportunities are created for area students and the School District. The School District continues to meet with local industry leaders to discuss their current and future work force needs. This information is used to improve vocational programs and create new programs to allow students to remain in the area and be successful after graduation, as well as provide qualified individuals to fill the work force needs of employers. During fiscal year 2022, the School District added a Work Based Learning Coordinator position to collaborate with industries and students to provide additional opportunities for students while enrolled with the School District and after graduation.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Mark Lucas, Treasurer/CFO at Belmont-Harrison Vocational School District, 68090 Hammond Road, St. Clairsville, Ohio 43950.

Basic Financial

Statements

Belmont-Harrison Vocational School District

Statement of Net Position

June 30, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$12,714,148
Intergovernmental Receivable	13,779
Prepaid Items	56,471
Property Taxes Receivable	4,176,029
Revenue in Lieu of Taxes Receivable	33,200
Net OPEB Asset	699,884
Non-Depreciable Capital Assets	2,437,970
Depreciable Capital Assets, Net	4,341,517
Total Assets	24,472,998
Deferred Outflows of Resources	
Pension	1,767,963
OPEB	201,582
Total Deferred Outflows of Resources	1,969,545
Liabilities	
Accounts Payable	14,043
Accrued Wages and Benefits Payable	648,561
Intergovernmental Payable	88,620
Accrued Interest Payable	58,404
Contracts Payable	671,241
Unearned Revenue	200,000
Long-Term Liabilities:	
Due Within One Year	370,403
Due In More Than One Year:	
Net Pension Liability	7,246,627
Net OPEB Liability	324,281
Other Amounts	4,992,661
Total Liabilities	14,614,841
Deferred Inflows of Resources	
Property Taxes	3,675,040
Payments in Lieu of Taxes	33,200
Pension	989,372
OPEB	995,211
Total Deferred Inflows of Resources	5,692,823
Net Position	
Net Investment in Capital Assets	4,386,327
Restricted For:	
Capital Projects	51,327
State Programs	44
Food Service Operations	29,842
Student Activity Programs	126,399
OPEB Plans	149,432
Other Purposes	11,000
Unrestricted	1,380,508
Total Net Position	$6,134,879

See accompanying notes to the basic financial statements

Belmont-Harrison Vocational School District
Statement of Activities
For the Fiscal Year Ended June 30, 2023

		Program Revenues		Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular	$315,663	$0	$0	($315,663)
Special	50,000	0	50,000	0
Vocational	4,824,358	44,823	555,044	(4,224,491)
Student Intervention Services	23,540	0	23,384	(156)
Support Services:				
Pupil	705,749	0	149,692	(556,057)
Instructional Staff	158,263	0	36,308	(121,955)
Board of Education	33,797	0	0	(33,797)
Administration	971,092	0	9,630	(961,462)
Fiscal	420,579	0	0	(420,579)
Operation and Maintenance of Plant	997,528	0	142,861	(854,667)
Pupil Transportation	9,286	0	0	(9,286)
Central	251,713	0	0	(251,713)
Food Service Operations	387,631	75,826	246,753	(65,052)
Extracurricular Activities	64,744	42,434	0	(22,310)
Interest	63,938	0	0	(63,938)
Total Governmental Activities	$9,277,881	$163,083	$1,213,672	(7,901,126)

General Revenues	
Property Taxes Levied for General Purposes	3,862,274
Revenue in Lieu of Taxes for General Purposes	25,536
Grants and Entitlements not Restricted to Specific Programs	4,692,915
Contributions and Donations	4,616
Investment Earnings	372,532
Miscellaneous	3,667
Total General Revenues	8,961,540
Change in Net Position	1,060,414
Net Position Beginning of Year	5,074,465
Net Position End of Year	$6,134,879

See accompanying notes to the basic financial statements

Belmont-Harrison Vocational School District

Balance Sheet

Governmental Activities

June 30, 2023

	General	Building	2021 Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	$6,052,853	$3,185,221	$980,354	$2,484,720	$12,703,148
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	11,000	0	0	0	11,000
Receivables:					
Property Taxes	4,176,029	0	0	0	4,176,029
Intergovernmental	0	0	0	13,779	13,779
Revenue in Lieu of Taxes	33,200	0	0	0	33,200
Interfund	2,720	0	0	0	2,720
Prepaid Items	56,089	0	0	382	56,471
Total Assets	$10,331,891	$3,185,221	$980,354	$2,498,881	$16,996,347
Liabilities					
Accounts Payable	$14,043	$0	$0	$0	$14,043
Accrued Wages and Benefits Payable	621,800	0	0	26,761	648,561
Interfund Payable	0	0	0	2,720	2,720
Intergovernmental Payable	81,627	0	0	6,993	88,620
Contracts Payable	0	0	671,241	0	671,241
Unearned Revenue	0	0	0	200,000	200,000
Total Liabilities	717,470	0	671,241	236,474	1,625,185
Deferred Inflows of Resources					
Property Taxes	3,675,040	0	0	0	3,675,040
Payments in Lieu of Taxes	33,200	0	0	0	33,200
Unavailable Revenue	204,227	0	0	0	204,227
Total Deferred Inflows of Resources	3,912,467	0	0	0	3,912,467
Fund Balances					
Nonspendable:					
Prepaid Items	56,089	0	0	382	56,471
Restricted for:					
State Programs	0	0	0	44	44
Food Service Operations	0	0	0	29,460	29,460
Student Activity Programs	0	0	0	126,399	126,399
Underground Storage Tank Premiums	11,000	0	0	0	11,000
Capital Projects	0	3,185,221	0	0	3,185,221
Committed to Capital Projects	0	0	309,113	2,108,456	2,417,569
Assigned to:					
Purchases on Order	78,599	0	0	0	78,599
Future Appropriations	1,080,000	0	0	0	1,080,000
Unassigned (Deficit)	4,476,266	0	0	(2,334)	4,473,932
Total Fund Balances	5,701,954	3,185,221	309,113	2,262,407	11,458,695
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$10,331,891	$3,185,221	$980,354	$2,498,881	$16,996,347

See accompanying notes to the basic financial statements

Belmont-Harrison Vocational School District

Reconciliation of Total Fund Balances to

Net Position of Governmental Activities

June 30, 2023

Total Governmental Fund Balances		$11,458,695
Amounts reported for governmental activities on 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.		6,779,487
Other long-term assets are not available to pay for current period expenditures and are therefore reported as deferred inflows of resources in the funds:		
Delinquent Property Taxes		204,227
On the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is is reported when due.		(58,404)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
General Obligation Bonds	(315,000)	
Bond Premium	(11,235)	
Financed Purchase	(4,485,000)	
Compensated Absences	(551,829)	
Total		(5,363,064)
The net OPEB asset, net pension liability, and net OPEB liability are not due and payable in the current period; therefore, the asset, the liability, and the related deferred inflows/outflows are not reported in the governmental funds:		
Net OPEB Asset	699,884	
Deferred Outflows - Pension	1,767,963	
Deferred Outflows - OPEB	201,582	
Net Pension Liability	(7,246,627)	
Net OPEB Liability	(324,281)	
Deferred Inflows - Pension	(989,372)	
Deferred Inflows - OPEB	(995,211)	
Total		(6,886,062)
Net Position of Governmental Activities		$6,134,879

See accompanying notes to the basic financial statements

Belmont-Harrison Vocational School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Activities
For the Fiscal Year Ended June 30, 2023

	General	Building	2021 Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	$3,864,728	$0	$0	$0	$3,864,728
Intergovernmental	5,295,679	0	0	610,908	5,906,587
Investment Earnings and Other Interest	321,205	51,327	0	0	372,532
Tuition and Fees	22,301	0	0	0	22,301
Rent	21,579	0	0	0	21,579
Extracurricular Activities	1,860	0	0	40,574	42,434
Revenue in Lieu of Taxes	25,536	0	0	0	25,536
Contributions and Donations	1,500	0	0	3,116	4,616
Charges for Services	943	0	0	75,826	76,769
Miscellaneous	962	0	0	2,705	3,667
Total Revenues	9,556,293	51,327	0	733,129	10,340,749
Expenditures					
Current:					
Instruction:					
Regular	318,237	0	0	0	318,237
Special	50,000	0	0	0	50,000
Vocational	4,693,558	0	0	2,337	4,695,895
Student Intervention Services	0	0	0	23,964	23,964
Support Services:					
Pupil	486,766	0	0	228,737	715,503
Instructional Staff	116,687	0	0	42,872	159,559
Board of Education	36,757	0	0	0	36,757
Administration	881,049	0	0	9,869	890,918
Fiscal	428,554	0	0	0	428,554
Operation and Maintenance of Plant	773,977	0	0	0	773,977
Central	251,436	0	0	0	251,436
Food Service Operations	76	0	0	379,696	379,772
Extracurricular Activities	27,367	0	0	37,377	64,744
Capital Outlay	0	1,259,856	690,887	159,268	2,110,011
Debt Service					
Principal Retirement	0	0	0	50,000	50,000
Interest	0	0	0	8,125	8,125
Issuance Costs	0	91,250	0	0	91,250
Total Expenditures	8,064,464	1,351,106	690,887	942,245	11,048,702
Excess of Revenues Over (Under) Expenditures	1,491,829	(1,299,779)	(690,887)	(209,116)	(707,953)
Other Financing Sources (Uses)					
Inception of Financed Purchase	0	4,485,000	0	0	4,485,000
Transfers In	0	0	0	1,058,125	1,058,125
Transfers Out	(1,058,125)	0	0	0	(1,058,125)
Total Other Financing Sources (Uses)	(1,058,125)	4,485,000	0	1,058,125	4,485,000
Net Change in Fund Balances	433,704	3,185,221	(690,887)	849,009	3,777,047
Fund Balances Beginning of Year	5,268,250	0	1,000,000	1,413,398	7,681,648
Fund Balances End of Year	$5,701,954	$3,185,221	$309,113	$2,262,407	$11,458,695

See accompanying notes to the basic financial statements

Reconciliation of the Changes in Fund Balances

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

Net Change in Fund Balances - Total Governmental Funds		$3,777,047
Amounts reported for governmental activities on the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital Asset Additions	2,069,164	
Current Year Depreciation	(345,046)	
Total		1,724,118
Capital Assets removed from the capital asset account on the Statement of Net Position results in a gain or loss on disposal of capital assets on the Statement of Activities.		(5,278)
Revenues on the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:		
Delinquent Property Taxes		(2,454)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Position.		
General Obligation Bonds		50,000
Issuance of debt is reported as other financing sources in governmental funds, but the issuance increases long-term liabilities on the Statement of Net Position		
Financed Purchase		(4,485,000)
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the Statement of Activities.		(57,796)
Bond premiums are reported as other financing sources in the governmental funds, but are allocated as an expense over the life of the bonds on the Statement of Activities.		1,983
Some expenses reported on the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in the funds:		
Compensated Absences Payable		(61,875)
Contractually required contributions are reported as expenditures in the governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows:		
Pension	655,491	
OPEB	11,083	
Total		666,574
Except for amounts reported as deferred inflows/outflows, changes in net pension/OPEB (asset)/liability are reported as pension/OPEB expense on the Statement of Activities:		
Pension	(675,221)	
OPEB	128,316	
Total		(546,905)
Change in Net Position of Governmental Activities		$1,060,414

See accompanying notes to the basic financial statements

Belmont-Harrison Vocational School District
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	$3,665,000	$3,795,000	$3,789,416	($5,584)
Intergovernmental	5,240,000	5,287,500	5,300,512	13,012
Interest	40,000	350,000	320,971	(29,029)
Tuition and Fees	10	24,010	22,301	(1,709)
Rent	6,000	24,000	21,579	(2,421)
Revenue in Lieu of Taxes	15,000	26,000	25,536	(464)
Miscellaneous	20,000	7,500	962	(6,538)
Total Revenues	8,986,010	9,514,010	9,481,277	(32,733)
Expenditures				
Current:				
Instruction:				
Regular	348,028	347,800	319,036	28,764
Special	0	50,000	50,000	0
Vocational	4,777,561	5,231,842	4,750,205	481,637
Support Services:				
Pupil	641,667	643,700	482,294	161,406
Instructional Staff	140,069	140,550	116,409	24,141
Board of Education	53,544	54,300	37,487	16,813
Administration	992,850	991,389	878,415	112,974
Fiscal	461,424	464,100	428,375	35,725
Operation and Maintenance of Plant	1,413,347	1,048,440	781,881	266,559
Central	245,608	273,494	254,236	19,258
Food Service Operations	201	20,000	19,723	277
Extracurricular Activities	39,134	39,650	14,550	25,100
Total Expenditures	9,113,433	9,305,265	8,132,611	1,172,654
Excess of Revenues Over (Under) Expenditures	(127,423)	208,745	1,348,666	1,139,921
Other Financing Sources (Uses)				
Advances In	13,990	13,990	13,309	(681)
Advances Out	0	(3,000)	(2,334)	666
Transfers Out	(569,832)	(1,075,000)	(1,071,125)	3,875
Total Other Financing Sources (Uses)	(555,842)	(1,064,010)	(1,060,150)	3,860
Net Change in Fund Balances	(683,265)	(855,265)	288,516	1,143,781
Prior Year Encumbrances Appropriated	83,265	83,265	83,265	0
Fund Balances Beginning of Year - Restated (Note 3)	5,526,356	5,526,356	5,526,356	0
Fund Balances End of Year	$4,926,356	$4,754,356	$5,898,137	$1,143,781

See accompanying notes to the basic financial statements

Belmont-Harrison Vocational School District

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2023

	Private Purpose Trust Fund
Assets	
Equity in Pooled Cash and Cash Equivalents	$112,188
Net Position	
Held in Trust for Scholarship	$112,188

See accompanying notes to the basic financial statements

Belmont-Harrison Vocational School District

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended June 30, 2023

	Private Purpose Trust Fund
Additions	
Gifts and Contributions	$20,500
Interest	3,458
Total Additions	23,958
Deductions	
Payments in Accordance with Trust Agreements	4,875
Change in Net Position	19,083
Net Position Beginning of Year	93,105
Net Position End of Year	$112,188

See accompanying notes to the basic financial statements

NOTE 1 - DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

The Belmont-Harrison Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of eleven members, one or two representatives from the eight participating school districts' elected boards, which possesses its own budgeting and taxing authority. The School District exposes students to job training leading to employment upon graduation from high school.

The School District was formed in 1967 and was opened for instruction in 1971. It is staffed by 21 classified employees and 56 certificated employees to provide services to Belmont, Harrison, Jefferson, and Carroll County freshmen, sophomores, juniors, and seniors. Additionally, the School District provides satellite programs which are located at the Barnesville Exempted Village School District, the Shadyside Local School District, and the St. Clairsville-Richland City School District. These satellite programs serve seventh grade through senior students. For fiscal year 2023, the average daily membership was 463.

***Reporting Entity*:**

Since the School District does not have a separately elected governing board and does not meet the definition of a component unit, it is classified as a stand-alone government under the provisions of Governmental Accounting Standards Board Statement 14, "The Financial Reporting Entity," and Governmental Accounting Standards Board Statement 61, "The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34."

The reporting entity is composed of the stand-alone government, component units, and other organizations that are included to ensure that the financial statements of the School District are not misleading. The stand-alone government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the Belmont-Harrison Vocational School District, this includes general operations, food service, and student related activities of the School District.

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

The School District is involved with five organizations; two jointly governed organizations, three insurance purchasing pools. These organizations include Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council), the Coalition of Rural and Appalachian Schools (CORAS), the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), the Ohio School Plan (OSP), and the Portage Area School Consortium (Consortium). These organizations are presented in Notes 16 and 17.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the School District, except for fiduciary funds. The statements usually distinguish between those activities of the School District that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). The School District, however; has no business type activities.

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

Fund Financial Statements

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

Fund Accounting

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

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

> ***General Fund* -** The General Fund accounts for and reports all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose, provided it is expended or transferred according to the general laws of Ohio.
>
> ***Building Fund* -** A fund used to account for the proceeds of a financed purchase agreement and expenditures related to the construction and implementation of the School District’s facility improvements and energy savings project.
>
> ***2021 Capital Projects Fund* -** A fund used to account for and report financial resources transferred from the General Fund and expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets in accordance with the Board Resolution establishing the fund in fiscal year 2021.

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

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. The School District has a private-purpose trust which accounts for a college scholarship program for students. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District has no custodial funds.

Measurement Focus

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

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

Like the government-wide statements, all fiduciary 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 Fiduciary Net Position. In the fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Fiduciary funds also use 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 outflows/inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

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

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

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, payments in lieu of 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 the 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 School District, unavailable revenue includes delinquent property taxes. 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 found on page 17. Net Deferred inflows of resources related to pension and OPEB are reported on the government-wide Statement of Net Position. See Notes 11 and 12 for more information.

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.

Pensions/Other Postemployment Benefits (OPEB)

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

Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as “equity in pooled cash and cash equivalents.”

During fiscal year 2023, the School 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 School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of $100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to $250 million per day. 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. Investment Earnings and Other Interest revenue credited to the General Fund during fiscal year 2023 amounted to $321,205, which includes $143,531 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements to be cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments. Restricted assets in the governmental funds include restricted cash for insurance premiums related to the underground storage tank.

Prepaid Items

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

Inventory

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

Capital Assets

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

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

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

Description	Governmental Activities Estimated Lives
Land Improvements	20 years
Buildings and Improvements	21 - 50 years
Furniture and Equipment	5 - 25 years
Vehicles	8 - 15 years

Interfund Balances

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for vacation eligible employees with more than one year of service. The liability for vacation benefits is recorded as long-term liabilities, as the balances for most employees can be carried for up to at least three years plus the current year accrual.

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

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

On the government fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon occurrence of employee resignations and retirements. These amounts are recorded in the account “matured severance payable” in the fund from which the employees who have accumulated leave are paid.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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

Bond Premiums

On the government-wide financial statements, bond premiums are amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are presented as an addition of the face amount of the bonds. On the governmental fund financial statements, bond premiums are recognized in the period in which the bonds are issued.

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

Internal Activity

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

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

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

Fund Balance

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

> ***Nonspendable:*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. It also includes the long-term amount of loans and notes receivable, prepaid items, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.
>
> ***Restricted:*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments.
>
> ***Committed:*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the School District Board of Education, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
>
> ***Assigned:*** Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the School District Board of Education or a School District official delegated that authority by resolution or by State Statute. The amount assigned in the General Fund represents encumbered amounts for outstanding obligations. State Statute authorizes the Board of Education to assign fund balances for purchases on order provided such amounts have been lawfully appropriated.

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

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

Net Position

Net Position represents the difference between all other elements in a statement of financial position. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include local resources to be used for insurance premiums related to Underground Storage Tanks. Restricted Net Position for Pension and OPEB plans represent the corresponding restricted asset amounts after considering the related deferred outflows and deferred inflows.

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

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 event occurred in fiscal year 2023.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Budgetary Process

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

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

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

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

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

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

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

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

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

Restatement of Budget Basis Fund Balance

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

	General
Budget Basis Fund Balance at June 30, 2022	$5,605,188
Restatement	(78,832)
Restated Budget Basis Fund Balance at June 30, 2022	$5,526,356

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

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

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

Net Change in Fund Balance

	General
GAAP Basis	$433,704
Revenue Accruals	(57,479)
Advance In	13,309
Expenditure Accruals	1,592
Advance Out	(2,334)
Transfers Out	(13,000)
Perspective Difference	(4,618)
Encumbrances	(82,658)
Budget Basis	$288,516

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

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

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

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

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2023, $223,365 of the School District's total bank balance of $729,129 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The School District's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

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

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

Investments

As of June 30, 2023, the School District's only investment was in STAR Ohio. STAR Ohio is measured at net asset value per share. The value of the investments in STAR Ohio was $12,333,242 and the investment has an average maturity of 38.5 days.

Interest Rate Risk: The School District's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years, and allows for the withdrawal of funds from approved public depositories or sale of negotiable instruments prior to maturity. State Statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk: STAR Ohio carries a rating of AAAm by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that addresses credit risk.

NOTE 6 - PROPERTY TAXES

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

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

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

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

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

The amount available as an advance at June 30, 2023, was $296,762 in the General Fund. The amount available as an advance at June 30, 2022, was $221,450 in the General Fund.

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

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	$1,637,000,920	79.18%	$1,622,008,510	75.04%
Public Utility Personal	430,355,970	20.82%	539,390,480	24.96%
Total Assessed Value	$2,067,356,890	100.00%	$2,161,398,990	100.00%
Tax Rate per $1,000 of assessed valuation		$1.45		$1.45

NOTE 7 - RECEIVABLES

Receivables at June 30, 2023, consisted of property taxes, revenue in lieu of taxes, 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 State programs, and the current year guarantee of federal funds. Delinquent property taxes deemed collectible by the County Auditor and recorded as a receivable in the amount of $204,227 may not be collected within in one year. All other receivables are expected to be collected within one year. A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Title-II Perkins Grant	$13,779
Total Intergovernmental Receivable	$13,779

Payment in Lieu of Taxes

Up Town

The School District entered into a thirty year Tax Increment Financing Agreement (TIF) in 2013. The purpose of the TIF was for the public infrastructure improvements in the Up Town section of the Village of Cadiz. The School District began receiving payments in fiscal year 2015. During fiscal year 2023, a payment in the amount of $20,820 was received. As of June 30, 2023, a receivable for $20,820 has been recorded which represents the payment anticipated for fiscal year 2024.

Business Development

On December 21, 2015, the Board of Education adopted a resolution authorizing a tax increment financing arrangement (TIF), pursuant to Ohio Revised Code Sections 5709.77 through 5709.80 with Belmont County and the St. Clairsville Richland City School District. The School District began receiving payments in fiscal year 2019. During fiscal year 2023, a payment in the amount of $4,716 was received. As of June 30, 2023, a receivable for $3,058 has been recorded which represents the payment anticipated for fiscal year 2024.

St. Clair Commons

On June 20, 2016, the Board of Education adopted a resolution authorizing a tax increment financing arrangement (TIF), and revenue sharing agreement, pursuant to Ohio Revised Code Sections 5709.40 and 5709.82 respectively, with the City of St. Clairsville. As of June 30, 2023, a receivable for $9,322 has been recorded which represents the anticipated initial payment.

NOTE 8 - INTERNAL BALANCES

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

	Interfund Receivable
Interfund Payable	General
Other Nonmajor Governmental	$2,720

The loans made to the Nonmajor Governmental Funds were used to cover an actual cash deficit in the Miscellaneous Federal Grants Fund and an advance to the Emergency Connectivity Fund to support the programs until grant monies are received.

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

	Transfer from
Transfer to	General
Other Nonmajor Governmental	$1,058,125

The transfers were used to move receipts from the General Fund to the Debt Service Fund for scheduled debt service payments and to the 2023 Capital Projects Fund for the purpose of acquiring, constructing, or improving the capital assets of the School District.

NOTE 9 - CAPITAL ASSETS

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

	Balance 6/30/22	Additions	Deletions	Balance 6/30/23
Nondepreciable Capital Assets:				
Land	$1,090,229	$0	$0	$1,090,229
Construction in Progress	87,885	1,259,856	0	1,347,741
Total Nondepreciable Capital Assets	1,178,114	1,259,856	0	2,437,970
Depreciable Capital Assets:				
Land Improvements	938,770	0	0	938,770
Buildings and Improvements	7,539,384	671,241	0	8,210,625
Furniture and Equipment	1,771,205	138,067	(45,987)	1,863,285
Vehicles	362,956	0	0	362,956
Total Depreciable Capital Assets	10,612,315	809,308	(45,987)	11,375,636
Accumulated Depreciation:				
Land Improvements	(202,011)	(42,353)	0	(244,364)
Buildings and Improvements	(4,867,646)	(200,322)	0	(5,067,968)
Furniture and Equipment	(1,438,242)	(82,035)	40,709	(1,479,568)
Vehicles	(221,883)	(20,336)	0	(242,219)
Total Accumulated Depreciation	(6,729,782)	(345,046)	40,709	(7,034,119)
Total Depreciable Capital Assets, Net	3,882,533	464,262	(5,278)	4,341,517
Governmental Capital Assets, Net	$5,060,647	$1,724,118	($5,278)	$6,779,487

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Vocational	$249,690
Support Services:	
Pupils	228
Administration	10,167
Fiscal	2,003
Maintenance	63,396
Transportation	9,286
Central	277
Food Service Operations	9,999
Total	$345,046

NOTE 10 - RISK MANAGEMENT

Property and Liability Insurance

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023 the School District joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP (See Note 17). The Belmont-Harrison Vocational School District contracted with the Ohio School Plan for liability, property, and fleet insurance.

Property:	
Building and Contents - replacement cost ($1,000 Deductible)	$45,068,397
Flood Coverage ($25,000 Deductible)	5,000,000
Commercial Auto Coverage:	
Auto Liability (Deductible: $1,000 for Buses, $250 for All Other)	3,000,000
Uninsured Motorists	1,000,000
Educational General Liability:	
Each Occurrence	3,000,000
Aggregated Limit	5,000,000
Personal and Advertising Injury Limit - Each Occurrence	3,000,000
Sexual Misconduct Liability:	
Each Occurrence	3,000,000
Aggregated Limit	5,000,000
Employers' Liability:	
Each Occurrence	3,000,000
Employee Benefits Liability:	
Each Occurrence	3,000,000
Aggregated Limit	5,000,000
School Leaders Errors and Omissions Liability:	
Each Occurrence	3,000,000
Aggregated Limit	5,000,000
Crime Coverage:	
Employee Theft, Forgery or Alteration ($1,000 Deductible)	100,000

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

Worker's Compensation

For fiscal year 2023, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. Sedgwick provides administrative, cost control, and actuarial services to the GRP.

Employee Benefits

Medical/surgical, prescription drug, and dental insurance is offered to all employees through the Portage Area Schools Consortium (Consortium) for health insurance for the School District's employees. The Consortium was established in 1981 so that thirteen educational-service providers in Portage County could manage risk exposures and purchase necessary insurance coverage as a group. The Consortium currently has 25 members. The Consortium has organized into two distinct entities to facilitate its risk management operations. The Portage Area Schools Consortium Property and Casualty Insurance Pool functions to manage the School District's physical property and liability risk. The Portage Area Schools Consortium Health and Welfare Trust is organized under provisions of Section 501 (c) (9) of the Internal Revenue Code. Its purpose is to facilitate the management of risks associated with providing employee benefits, coverage such as health and accident insurance, disability insurance and life insurance. The School District participates in the Portage Area Schools Consortium Health and Welfare Trust. A third-party administrator is retained by the consortium to facilitate the operation of the Portage Area Schools Consortium Health and Welfare Trust. The School District pays all insurance premiums directly to the Consortium; one of its administrators serves as a trustee of the consortium's governing board as provided in the Consortium's enabling authority. The School District recognizes that it retains a contingent liability to provide insurance coverage should the assets of the Consortium become depleted.

Medical/surgical and prescription drug insurance are offered to employees through the Portage Area School Consortium. The medical/surgical coverage is based on a usual, customary, and reasonable claim plan. The monthly premiums for this coverage is $950.81 for individual coverage and $2,301.42 for family coverage of which the Board pays 85 percent of the premium. The premium is paid from the fund that pays the salary of the covered employee. Prescription drug coverage in included with the medical/surgical premium. Dental insurance coverage is provided with a monthly premium of $47.77 for individual coverage and $111.60 for family coverage, of which the Board pays 90 percent of the premium.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

The School District's contractually required contribution to SERS was $126,839 for fiscal year 2023, of which the full amount has been contributed.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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

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

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

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

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

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

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

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

The School District's contractually required contribution to STRS was $528,652 for fiscal year 2023. Of this amount, $77,085 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.02288750%	0.02702951%	
Prior Measurement Date	0.02392480%	0.02795772%	
Change in Proportionate Share	-0.00103730%	-0.00092821%	
Proportionate Share of the Net:			
Pension Liability	$1,237,934	$6,008,693	$7,246,627
Pension Expense	$103,134	$572,087	$675,221

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$50,137	$76,919	$127,056
Changes of assumptions	12,215	719,060	731,275
Net difference between projected and actual earnings on pension plan investments	0	209,089	209,089
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	19,858	25,194	45,052
School District contributions subsequent to the measurement date	126,839	528,652	655,491
Total Deferred Outflows of Resources	$209,049	$1,558,914	$1,767,963
Deferred Inflows of Resources			
Differences between expected and actual experience	$8,127	$22,985	$31,112
Changes of assumptions	0	541,246	541,246
Net difference between projected and actual earnings on pension plan investments	43,198	0	43,198
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	38,791	335,025	373,816
Total Deferred Inflows of Resources	$90,116	$899,256	$989,372

$655,491 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$5,286	($80,130)	($74,844)
2025	(23,271)	(140,752)	(164,023)
2026	(61,710)	(257,492)	(319,202)
2027	71,789	609,380	681,169
Total	($7,906)	$131,006	$123,100

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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

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

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

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$1,822,180	$1,237,934	$745,715

Actuarial Assumptions – STRS

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

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

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

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$9,076,949	$6,008,693	$3,413,900

NOTE 12 - DEFINED BENEFIT OPEB PLANS

See Note 11 for a description of the net OPEB liability.

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the School District's surcharge obligation was $11,083.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was $11,083 for fiscal year 2023. Of this amount $11,083 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.02309680%	0.02702951%	
Prior Measurement Date	0.02430670%	0.02795772%	
Change in Proportionate Share	-0.00120990%	-0.00092821%	
Proportionate Share of the:			
Net OPEB Liability	$324,281	$0	$324,281
Net OPEB (Asset)	$0	($699,884)	($699,884)
OPEB Expense	($4,146)	($124,170)	($128,316)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$2,726	$10,146	$12,872
Changes of assumptions	51,581	29,813	81,394
Net difference between projected and actual earnings on OPEB plan investments	1,685	12,183	13,868
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	73,065	9,300	82,365
School District contributions subsequent to the measurement date	11,083	0	11,083
Total Deferred Outflows of Resources	$140,140	$61,442	$201,582
Deferred Inflows of Resources			
Differences between expected and actual experience	$207,434	$105,109	$312,543
Changes of assumptions	133,120	496,285	629,405
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	42,763	10,500	53,263
Total Deferred Inflows of Resources	$383,317	$611,894	$995,211

$11,083 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	($47,214)	($158,568)	($205,782)
2025	(53,782)	(162,550)	(216,332)
2026	(49,579)	(74,477)	(124,056)
2027	(30,413)	(31,356)	(61,769)
2028	(24,660)	(40,869)	(65,529)
Thereafter	(48,612)	(82,632)	(131,244)
Total	($254,260)	($550,452)	($804,712)

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

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

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

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

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

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
School District's proportionate share of the net OPEB liability	$402,762	$324,281	$260,926

	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	$250,079	$324,281	$421,202

Actuarial Assumptions – STRS

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

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

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	($647,024)	($699,884)	($745,163)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	($725,950)	($699,884)	($666,982)

NOTE 13 - OTHER EMPLOYEE BENEFITS

Compensated Absences

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

Full-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 up to a maximum of 300 days for all personnel. Upon retirement, payment is made for one-third of accrued, but unused sick leave credit.

Insurance Benefits

The School District provides life insurance through Guardian Life, in the amount of $50,000 for all full-time employees. The School District pays 100 percent of the premiums of $5.50 per month for all employees. The School District provides vision insurance through Vision Service Plan. The School District provided vision insurance is $18.37 for single and $41.58 for family, per month, of which the Board pays 90 percent of the premium.

NOTE 14 - COMMITMENTS

Encumbrances

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

General Fund	$82,658
Other Non-major Governmental Funds	4,085,326
Total	$4,167,984

Construction Commitments

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

Project	Fund	Commitment	Amount Paid as of 6/30/2023	Amount Remaining
Energy Savings Project	Building	$6,393,370	$1,347,741	$5,045,629

NOTE 15 - LONG - TERM OBLIGATIONS

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

	Outstanding 6/30/22	Additions	Reductions	Outstanding 6/30/23	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
2013 Energy Conservation and School Improvement Bonds					
Term Bonds $680,000 @ 1.0% - 2.5%	$365,000	$0	$50,000	$315,000	$50,000
Premium $31,726	13,218	0	1,983	11,235	0
Total General Obligation Bonds	378,218	0	51,983	326,235	50,000
Financed Purchases from Direct Borrowing	0	4,485,000	0	4,485,000	263,000
Compensated Absences	489,954	107,318	45,443	551,829	57,403
Other Long-Term Obligations:					
Net Pension Liability					
SERS	882,755	355,179	0	1,237,934	0
STRS	3,574,645	2,434,048	0	6,008,693	0
Total Net Pension Liability	4,457,400	2,789,227	0	7,246,627	0
SERS Net OPEB Liability	460,023	0	135,742	324,281	0
Total Governmental Activities	$5,785,595	$7,381,545	$233,168	$12,933,972	$370,403

2013 Energy Conservation and School Improvement Bonds

On February 12, 2013, Belmont-Harrison Vocational School District issued $682,575 of general obligation bonds, which included capital appreciation bonds in the amount of $2,575, in accordance with House Bill 264. The bonds were issued to finance an energy conservation project. The term bonds were issued at a 1.0 percent to 2.5 percent interest rate, for a period of fifteen years with a final maturity of December 1, 2028. The bonds were issued at a premium of $31,726, which is being reported as an increase to bonds payable. This amount is being amortized over the life of the bonds using the straight-line method.

As part of the bond issuance, the School District, pursuant to Section 3317.18, Ohio Revised Code, and Section 3301-8-01, Ohio Administrative Code, participated in the Ohio Credit Enhancement Program. On December 13, 2012, Moody's Investor Service reviewed and assigned a rating of Aa2 to the Energy Conservation and School Improvement Bonds. In the event the School District is unable to make sufficient debt service payments and the payment will not be made by a credit enhancement facility, the Department of Education will make the sufficient payment.

The Term Bonds maturing on December 1, 2016, were subject to mandatory sinking fund redemption at the redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the and in the respective principal amounts as follows:

Redemption Date (December 1)	Principal Amount to be Redeemed
2014	$35,000
2015	45,000

The remaining principal amount of such Term Bonds ($45,000) matured at stated maturity on December 1, 2016. The Term Bonds maturing on December 1, 2020, are subject to mandatory sinking fund redemption at the redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the and in the respective principal amounts as follows:

Redemption Date (December 1)	Principal Amount to be Redeemed
2018	$45,000
2019	45,000

The remaining principal amount of such Term Bonds ($50,000) will mature at stated maturity on December 1, 2020.

The Term Bonds maturing on December 1, 2023, are subject to mandatory sinking fund redemption at the redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the and in the respective principal amounts as follows:

Redemption Date (December 1)	Principal Amount to be Redeemed
2021	$50,000
2022	50,000

The remaining principal amount of such Term Bonds ($50,000) will mature at stated maturity on December 1, 2023.

The Term Bonds maturing on December 1, 2028, are subject to mandatory sinking fund redemption at the redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the and in the respective principal amounts as follows:

Redemption Date (December 1)	Principal Amount to be Redeemed
2024	$50,000
2025	50,000
2026	55,000
2027	55,000

The remaining principal amount of such Term Bonds ($55,000) will mature at stated maturity on December 1, 2028.

The final capital appreciation bonds for this issue matured on December 1, 2017. These bonds were purchased at a substantial discount at the time of issuance. At maturity all compounded interest was paid and the bond holder received the face value of the bond. There are no outstanding capital appreciation bonds remaining at June 30, 2023.

The principal and interest requirements to retire the remaining general obligation bonds for the Energy Conservation and School Improvement Bonds are as follows:

	Term Bonds		
Fiscal Year Ending June 30	Principal	Interest	Total
2024	$50,000	$7,625	$57,625
2025	50,000	6,625	56,625
2026	50,000	5,375	55,375
2027	55,000	4,125	59,125
2028	55,000	2,750	57,750
2029	55,000	1,375	56,375
Total	$315,000	$27,875	$342,875

Financed Purchase from Direct Borrowing

During fiscal year 2023, the School District entered into a financed purchase obligation for the improvements to and purchase of school facilities in the amount of $4,485,000 to be paid from the Facility Improvement and Energy Savings Capital Projects Fund. This agreement includes an interest rate of 3.64 percent. As of June 30, 2023, $3,133,894 of the financed purchase proceeds remain unspent. Principal and interest requirements to retire this financed purchase are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2024	$263,000	$203,815	$466,815
2025	237,000	149,367	386,367
2026	245,000	140,595	385,595
2027	254,000	131,513	385,513
2028	263,000	122,104	385,104
2028-2032	1,468,000	456,820	1,924,820
2033-2037	1,755,000	164,329	1,919,329
Total	$4,485,000	$1,368,543	$5,853,543

Upon the occurrence of an Event of Default by the Lessee (School District), the Lessor (JPMorgan Chase Bank, NA) has the following remedies:

1. The Lessor may request the Lessee to promptly return possession of the Leased Real Property to the Lessor or, at the Lessor's option, the Lessor may enter upon the Leased Real Property and take immediate possession of and remove personal property constituting Leased Real Property;

2. The Lessor may sublease the Leased Real Property for the account of the Lessee, and hold the Lessee 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 sublease pursuant to such sublease and the amounts payable by the Lessee pursuant to the Lease during the then-current Lease Term; and

3. The Lessor may exercise any other right, remedy, or privilege available under Ohio or any other applicable law, or proceed by appropriate court action to enforce the terms of the Lease or rescind the Lease or recover damages.

The School District's overall legal debt margin was $194,210,909, with an unvoted debt margin of $2,161,399, at June 30, 2023.

Compensated Absences

The School District pays compensated absences from the General Fund.

Net Pension/OPEB Liability

There is no repayment schedule for the net pension/OPEB liability. However, employer pension contributions are made from the General Fund and the Miscellaneous Federal Grant and Food Service Special Revenue Funds. For additional information related to the net pension/OPEB liability, see Notes 11 and 12.

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council)

The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council). The Council was created as a separate regional council of governments pursuant to State Statutes. The Council operates under the direction of a Board comprised of a representative from each participating school district. The Board exercised total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each participant’s control is limited to its representation on the Board. The Council provides information technology and internet access to member districts, as well as cooperative purchasing programs. During fiscal year 2023, the total amount paid to the Council from the School District was $28,005 for technology services, financial accounting services and educational management information. The Jefferson County Educational Service Center serves as the fiscal agent. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency, Treasurer, at 2023 Sunset Blvd., Steubenville, Ohio 43952.

Coalition of Rural and Appalachian Schools (CORAS)

The Coalition of Rural and Appalachian Schools is a jointly governed organization including over 179 school districts in southeastern Ohio. The Coalition is operated by a Board which is comprised of fourteen members. The board members are comprised of one superintendent from each county elected by the school districts within that county. The Coalition provides various in-service for school district administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Board exercises total control over the operations of the Coalition including budgeting, appropriating, contracting, and designating management. Each participant’s control is limited to its representation on the Board. The School District’s membership fee was $325 for fiscal year 2023.

NOTE 17 - PUBLIC ENTITY INSURANCE PURCHASING POOLS

Ohio School Boards Association Workers’ Compensation Group Rating Plan (GRP)

The School District participates in the Ohio School Boards Association Workers’ Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP’s business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association. The Executive Director of the Ohio School Boards Association, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program. The School District’s enrollment fee of $640 for policy year 2023 was paid to Sedgwick.

Ohio School Plan (OSP)

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

The Portage Area School Consortium (Consortium)

The School District participates in the Portage Area School Consortium (Consortium) a regional council of governments established pursuant to Chapter 167 of the Ohio Revised Code, consisting of various school districts. The Consortium is a stand-alone entity, composed of two stand-alone Pools: the Portage Area Schools Consortium Property and Casualty Pool and the Portage Area Schools Consortium Health and Welfare Insurance Pool. These pools were established by the Consortium on August 5, 1988, to provide property and casualty risk management services and risk sharing to its members. The pools were established as local government risk pools under Section 1744.081 of the Ohio Revised Code and are not subject to federal tax filing requirements.

NOTE 18 - SET-ASIDE CALCULATIONS AND FUND RESTRICTIONS

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

Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years. In prior fiscal years, the School District was also required to set-aside money for textbooks.

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

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

	Capital Improvements
Set-aside Restricted Balance as of June 30, 2022	$0
Current Year Set-aside Requirement	95,813
Current Year Qualifying Expenditures	(514,835)
Totals	($419,022)
Balance Carried Forward to Fiscal Year 2024	$0
Set-aside Restricted Balance as of June 30, 2023	$0

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

NOTE 19 - CONTINGENCIES

Grants

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

State Foundation Funding

School Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year-end. As of the date of this report, ODE adjustments for fiscal year 2023 are finalized. As a result, the impact of future FTE adjustments on the fiscal year 2023 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

Litigation

The School District is currently not party to any legal proceedings.

NOTE 20 - COVID-19

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

Belmont-Harrison Vocational School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
*Last Ten Fiscal Years**

	2023	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.02288750%	0.02392480%	0.02251220%	0.02059970%
School District's Proportionate Share of the Net Pension Liability	$1,237,934	$882,755	$1,489,005	$1,232,516
School District's Covered Payroll	$854,979	$825,821	$789,229	$706,689
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	144.79%	106.89%	188.67%	174.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
0.02153740%	0.01820220%	0.01937750%	0.01865310%	0.01964700%	0.01964700%
$1,233,487	$1,087,542	$1,418,253	$1,064,365	$994,323	$1,168,344
$635,119	$600,593	$602,750	$568,065	$563,369	$520,701
194.21%	181.08%	235.30%	187.37%	176.50%	224.38%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

Belmont-Harrison Vocational School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
*Last Ten Fiscal Years**

	2023	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.02702951%	0.02795772%	0.02876261%	0.02937467%
School District's Proportionate Share of the Net Pension Liability	$6,008,693	$3,574,645	$6,959,528	$6,496,032
School District's Covered Payroll	$3,518,914	$3,444,143	$3,495,257	$3,457,150
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	170.75%	103.79%	199.11%	187.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%	77.40%

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
0.02862997%	0.02943764%	0.02859675%	0.02819944%	0.02799468%	0.02799468%
$6,295,088	$6,992,974	$9,572,194	$7,793,501	$6,809,275	$8,111,164
$3,277,136	$3,238,271	$3,029,871	$2,924,743	$2,883,454	$2,705,607
192.09%	215.95%	315.93%	266.47%	236.15%	299.79%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

Belmont-Harrison Vocational School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
*Last Seven Fiscal Years (1) **

	2023	2022	2021	2020
School District's Proportion of the Net OPEB Liability	0.02309680%	0.02430670%	0.02216310%	0.02089440%
School District's Proportionate Share of the Net OPEB Liability	$324,281	$460,023	$481,678	$525,450
School District's Covered Payroll	$854,979	$825,821	$789,229	$706,689
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	37.93%	55.70%	61.03%	74.35%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%	15.57%

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

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

See accompanying notes to the required supplementary information.

2019	2018	2017
0.02142330%	0.01851980%	0.01963980%
$594,341	$497,023	$559,807
$635,119	$600,593	$602,750
93.58%	82.76%	92.88%
13.57%	12.46%	11.49%

Belmont-Harrison Vocational School District

Required Supplementary Information

Schedule of the School District's Proportionate Share of the Net OPEB (Asset) Liability

State Teachers Retirement System of Ohio

*Last Seven Fiscal Years (1) **

	2023	2022	2021	2020
School District's Proportion of the Net OPEB (Asset) Liability	0.02702951%	0.02795772%	0.02876261%	0.02937467%
School District's Proportionate Share of the Net OPEB (Asset) Liability	($699,884)	($589,466)	($505,502)	($486,516)
School District's Covered Payroll	$3,518,914	$3,444,143	$3,495,257	$3,457,150
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-19.89%	-17.12%	-14.46%	-14.07%
Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset) Liability	230.70%	174.70%	182.10%	174.70%

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

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

See accompanying notes to the required supplementary information.

2019	2018	2017
0.02862997%	0.02943764%	0.02859675%
($460,055)	$1,148,548	$1,529,362
$3,277,136	$3,238,271	$3,029,871
-14.04%	35.47%	50.48%
176.00%	47.10%	37.30%

Belmont-Harrison Vocational School District
Required Supplementary Information
Schedule of School District Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	$126,839	$119,697	$115,615	$110,492
Contributions in Relation to the Contractually Required Contribution	(126,839)	(119,697)	(115,615)	(110,492)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$905,993	$854,979	$825,821	$789,229
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution (2)	$11,083	$13,519	$13,939	$8,573
Contributions in Relation to the Contractually Required Contribution	($11,083)	($13,519)	($13,939)	($8,573)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	1.22%	1.58%	1.69%	1.09%
Total Contributions as a Percentage of Covered Payroll (2)	15.22%	15.58%	15.69%	15.09%

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
$95,403	$85,741	$84,083	$84,385	$74,871	$78,083
(95,403)	(85,741)	(84,083)	(84,385)	(74,871)	(78,083)
$0	$0	$0	$0	$0	$0
$706,689	$635,119	$600,593	$602,750	$568,065	$563,369
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%
$14,943	$12,856	$10,319	$9,950	$14,619	$10,827
($14,943)	($12,856)	($10,319)	($9,950)	($14,619)	($10,827)
$0	$0	$0	$0	$0	$0
2.11%	2.02%	1.72%	1.65%	2.57%	1.92%
15.61%	15.52%	15.72%	15.65%	15.75%	15.78%

Belmont-Harrison Vocational School District
Required Supplementary Information
Schedule of School District Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	$528,652	$492,648	$482,179	$489,336
Contributions in Relation to the Contractually Required Contribution	(528,652)	(492,648)	(482,179)	(489,336)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$3,776,086	$3,518,914	$3,444,143	$3,495,257
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
$484,001	$458,799	$453,358	$424,182	$409,464	$374,849
(484,001)	(458,799)	(453,358)	(424,182)	(409,464)	(374,849)
$0	$0	$0	$0	$0	$0
$3,457,150	$3,277,136	$3,238,271	$3,029,871	$2,924,743	$2,883,454
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%
$0	$0	$0	$0	$0	$28,835
0	0	0	0	0	(28,835)
$0	$0	$0	$0	$0	$0
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

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

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

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

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

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

Changes in Assumptions - STRS

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

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

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

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

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

Changes in Benefit Term – STRS Pension

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

Net OPEB Liability

Changes in Assumptions – SERS

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

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

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

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

Changes in Assumptions – STRS

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

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.
For fiscal year 2022, the discount rate was decreased from 7.45 percent to the long-term expected rate of return of 7.00.

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

Changes in Benefit Terms – STRS OPEB

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

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

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

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

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

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

WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS.

Belmont Harrison Vocational School District
Belmont County
68090 Hammond Road
St. Clairsville, Ohio 43950

To the Board of Education:

We have audited, in accordance with auditing standards general accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The Belmont Harrison Vocational School District, Belmont County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 12, 2023. We also noted the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the District.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Belmont Harrison Vocational School District's financial statements are free of 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 and 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 Standard*s.

Purpose of this Report

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

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
December 12, 2023

BELMONT HARRISON VOCATIONAL SCHOOL DISTRICT

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 2022

Wilson, Phillips & Agin, CPA's, Inc.
1100 Brandywine Blvd. Building G
Zanesville, Ohio 43701

BELMONT HARRISON VOCATIONAL SCHOOL DISTRICT
BELMONT COUNTY

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1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT

Belmont Harrison Vocational School District
Belmont County
68090 Hammond Road
St. Clairsville, Ohio 43950

To the Board of Education:

Report on the Audit of the Financial Statements

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Belmont Harrison Vocational School District, Belmont County, Ohio as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Belmont Harrison Vocational School District, Belmont County, Ohio as of June 30, 2022, and the respective changes in financial position and where applicable, cash flows, thereof, and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 20 to the financial statements, during the year ended June 30, 2022, the impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it essential 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, consisting 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 and opinion or provide any other assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 12, 2023, on our consideration of the Belmont Harrison Vocational School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance and the results of that testing, and does not opine on 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 Belmont Harrison Vocational School District's internal control over financial reporting and compliance.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
December 12, 2023

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

Financial Highlights

Key financial highlights for the fiscal year 2022 are as follows:

- In total, net position increased $1,700,645.

- General revenues accounted for $8,359,716 in revenue or approximately 87 percent of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for $1,266,340 or approximately 13 percent of total revenues of $9,626,056.

- Total assets of governmental activities increased $930,065 primarily due to an increase in cash and cash equivalents. Total liabilities of governmental activities decreased $4,015,507 primarily due to a decrease in net pension liability.

- The School District had $7,925,411 in expenses related to governmental activities; only $1,266,340 of these expenses were offset by program specific charges for services and sales and operating grants and contributions. General revenues of $8,359,716 were adequate to provide for these programs.

- Total governmental funds had $9,573,872 in revenues and $8,444,484 in expenditures. Overall, the net change in total governmental fund balances, including other financing sources (uses) was an increase of $1,129,388.

Using this Annual Financial Report

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

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

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2022?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

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

Reporting the School District's Fiduciary Responsibilities

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2022 compared to 2021.

Table 1
Net Position
Governmental Activities

	2022	2021	Change
Assets			
Current and Other Assets	$12,201,419	$11,169,003	$1,032,416
Net OPEB Asset	589,466	505,502	83,964
Capital Assets	5,060,647	5,246,962	(186,315)
Total Assets	17,851,532	16,921,467	930,065
Deferred Outflows of Resources			
Pension	1,862,733	1,616,393	246,340
OPEB	263,413	254,346	9,067
Total Deferred Outflows of Resources	2,126,146	1,870,739	255,407
Liabilities			
Current and Other Liabilities	760,610	705,595	55,015
Long-Term Liabilities			
Due Wthin One Year	105,218	111,624	(6,406)
Due in More than One Year:			
Net Pension Liability	4,457,400	8,448,533	(3,991,133)
Net OPEB Liability	460,023	481,678	(21,655)
Other Amounts	762,954	814,282	(51,328)
Total Liabilities	6,546,205	10,561,712	(4,015,507)
Deferred Inflows of Resources			
Property Taxes	3,535,052	3,734,530	(199,478)
Payment in Lieu of Taxes	18,036	22,640	(4,604)
Pension	3,853,639	229,149	3,624,490
OPEB	950,281	870,355	79,926
Total Deferred Inflows of Resources	8,357,008	4,856,674	3,500,334
Net Position			
Net Investment in Capital Assets	4,695,647	4,831,962	(136,315)
Restricted	299,535	288,811	10,724
Unrestricted (Deficit)	79,283	(1,746,953)	1,826,236
Total Net Position	$5,074,465	$3,373,820	$1,700,645

The net pension liability (NPL) is the largest liability reported by the School District at June 30, 2021. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Total assets of governmental activities increased $930,065. Current and other assets increased $1,032,416. The increase in current and other assets is primarily due to increases in cash and cash equivalents, as the School District combined consistent spending levels from year to year with increases in its primary revenue sources of property taxes and State Funding. The School District also reflects an OPEB asset in the amount of $589,466, a moderate increase from the prior year. Capital assets decreased $186,315 as annual depreciation exceeded capital asset additions.

Total liabilities increased $4,015,507. Current and other liabilities increased $55,015 due to primarily to matured severance payable and increases in accounts payable. Long-term liabilities increased $4,064,116, primarily due to a decrease in net pension liability. The decrease in net pension liability is due to the changes in assumptions, which are offset by changes in net investment income.

The School District's deferred inflows of resources increased $3,624,490, primarily due to the previously mentioned change in the net difference between projected and actual earnings on pension plan investments.

In order to further understand what makes up the changes in net position for the current fiscal year, the following table gives the readers further details regarding the results of activities for 2022 and 2021.

Table 2
Changes in Net Postion
Governmental Activities

	2022	2021	Change
Revenues			
Program Revenues:			
Charges for Services and Sales	$70,955	$255,661	($184,706)
Operating Grants and Contributions	1,195,385	1,279,645	(84,260)
Total Program Revenues	1,266,340	1,535,306	(268,966)
General Revenues:			
Property Taxes	3,697,337	3,286,613	410,724
Revenue in Lieu of Taxes	8,755	14,290	(5,535)
Grants and Entitlements not Restricted to Specific Programs	4,605,555	4,207,162	398,393
Investment Earnings	20,308	8,834	11,474
Others	27,761	68,328	(40,567)
Total General Revenues	8,359,716	7,585,227	774,489
Total Revenues	9,626,056	9,120,533	505,523
Program Expenses			
Instruction:			
Regular	265,379	316,205	(50,826)
Special	50,000	0	50,000
Vocational	4,140,494	4,535,894	(395,400)
Student Intervention Services	51,701	76,126	(24,425)
Support Services:			
Pupil	646,921	689,506	(42,585)
Instructional Staff	152,614	147,842	4,772
Board of Education	36,815	27,040	9,775
Administration	786,097	995,060	(208,963)
Fiscal	408,365	421,819	(13,454)
Operation and Maintenance of Plant	775,128	912,819	(137,691)
Pupil Transportation	9,733	8,940	793
Central	244,510	225,436	19,074
Food Service Operations	320,846	264,908	55,938
Extracurricular	29,577	25,714	3,863
Interest and Fiscal Charges	7,231	7,955	(724)
Total Expenses	7,925,411	8,655,264	(729,853)
Change in Net Position	1,700,645	465,269	1,235,376
Net Position Beginning of Year	3,373,820	2,908,551	465,269
Net Position End of Year	$5,074,465	$3,373,820	$1,700,645

In fiscal year 2022, approximately 38 percent of the School District's revenues were from property taxes, and approximately 48 percent were from unrestricted grants and entitlements. Charges for services program revenue decreased $184,706 primarily due to a decrease in tuition and fees due to changes in the State funding model for foundation payments which took effect with fiscal year 2022. Conversely, the School District is reporting an increase in unrestricted grants and entitlements as result of the changes to the State funding model. Property tax revenue increases as the assessed valuation of the School District's taxing authority continues to trend upwards.

The School District receives revenue in lieu of taxes as part of Tax Increment Financing (TIF) agreements with the Village of Cadiz, Belmont County, and the City of St. Clairsville. See Note 7 for further details.

Instructional programs comprise approximately 57 percent of total governmental program expenses. Of the instructional expenses, approximately 92 percent is for vocational instruction, approximately 6 percent is for regular instruction, and the remaining is for special and student intervention services. Overall program expenses decreased over the prior year in the amount of $729,853, primarily due to expenses related to pension and OPEB.

The Statement of Activities shows the cost of program services and the charges for services, grants, contributions, and interest earnings offsetting those services. Table 3 shows the total cost of services and the net cost of services for fiscal year 2022 compared to fiscal year 2021. In other words, it identifies the cost of those services supported by tax revenue and unrestricted entitlements.

Table 3
Governmental Activities

	Total Cost of Service		**Net Cost of Services**	
	2022	**2021**	**2022**	**2021**
Program Expenses				
Instruction				
Regular	$265,379	$316,205	$265,379	$309,580
Special	50,000	4,535,894	0	3,597,971
Vocational	4,140,494	4,535,894	3,584,395	3,597,971
Student Intervention Services	51,701	76,126	(5,609)	76,126
Support Services				
Pupil	646,921	689,506	513,126	421,810
Instructional Staff	152,614	147,842	119,538	105,018
Board of Education	36,815	27,040	36,815	27,040
Administration	786,097	995,060	777,617	986,191
Fiscal	408,365	421,819	394,318	421,819
Operation and Maintenance of Plant	775,128	912,819	775,128	902,766
Pupil Transportation	9,733	8,940	9,733	8,940
Central	244,510	225,436	244,510	225,436
Food Service Operations	320,846	264,908	(63,108)	12,944
Extracurricular Activities	29,577	25,714	(2)	16,362
Interest and Fiscal Charges	7,231	7,955	7,231	7,955
Total Expenses	$7,925,411	$13,191,158	$6,659,071	$10,717,929

The dependence upon tax revenues and state subsidies for governmental activities is apparent as approximately 60 percent of expenses are supported through taxes and other general revenues.

The School District Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. The School District has one major fund, the General Fund. The General Fund had $8,892,958 in revenues and $7,637,127 in expenditures. Overall, including transfers out, the General Fund's balance increased by $196,706. The increase is primarily due to increases in property taxes and intergovernmental revenue outpacing the increases in the costs of operations of the General Fund.

General Fund Budgeting Highlights

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

During the course of fiscal 2021 the School District amended its General Fund appropriations, and the budgetary statement reflects both the original and final appropriated amounts. Final estimated revenues reflected modest increases in estimates for property taxes and intergovernmental revenues. Final appropriations reflected a significant increase in budgeted expenditures for support services – operation and maintenance of plant. There were significant differences between budgeted and actual expenditures, as spending was less than budgeted in all categories, most notably vocational instruction expense and operation and maintenance of plant.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2022, the School District had $5,060,647 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles, net of accumulated depreciation. See Note 9 for more detailed information of the School District's capital assets.

Debt

At June 30, 2022, the School District had $378,218 outstanding in 2013 Energy Conservation and School Improvement general obligation bonds, including bond premium, with $50,000 due within one year. See Note 15 for more information regarding the School District's debt and other long-term obligations, including compensated absences, and net pension/OPEB liability.

Economic Factors

Belmont-Harrison Vocational School District continues to rely heavily on the State foundation. Despite various changes in funding models in recent years and a significant decrease in student ADM for the School District since fiscal year 2020 due to COVID-19, the School District has seen a small increase in State funding for fiscal year 2022. Another main source of revenue for the District is local Real Estate and Public Utility Personal Property (PUPP) tax collections. Although the School District has experienced steady increases in revenue from these sources in past years, it has seen a decrease in real estate tax revenue in fiscal year 2022. This is partly contributed to a slowdown of production of oil and gas due to the COVID-19 pandemic that began in 2020.

Additionally, with the growth of the Oil and Gas Industry in the area, opportunities are created for area students and the School District. The School District continues to meet with local industry leaders to discuss their current and future work force needs. This information is used to improve vocational programs and create new programs to allow students to remain in the area and be successful after graduation, as well as provide qualified individuals to fill the work force needs of employers. During fiscal year 2022, the School District added a Work Based Learning Coordinator position to collaborate with industries and students to provide additional opportunities for students while enrolled with the School District and after graduation.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Mark Lucas, Treasurer/CFO at Belmont-Harrison Vocational School District, 68090 Hammond Road, St. Clairsville, Ohio 43950.

Basic Financial

Statements

Belmont-Harrison Vocational School District

Statement of Net Position

June 30, 2022

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$8,109,631
Intergovernmental Receivable	49,491
Prepaid Items	57,488
Materials and Supplies Inventory	3,590
Property Taxes Receivable	3,963,183
Revenue in Lieu of Taxes Receivable	18,036
Net OPEB Asset	589,466
Non-Depreciable Capital Assets	1,178,114
Depreciable Capital Assets, Net	3,882,533
Total Assets	17,851,532
Deferred Outflows of Resources	
Pension	1,862,733
OPEB	263,413
Total Deferred Outflows of Resources	2,126,146
Liabilities	
Accounts Payable	21,181
Accrued Wages and Benefits Payable	616,175
Intergovernmental Payable	88,085
Matured Severance Payable	34,561
Accrued Interest Payable	608
Long-Term Liabilities:	
Due Within One Year	105,218
Due In More Than One Year:	
Net Pension Liability	4,457,400
Net OPEB Liability	460,023
Other Amounts	762,954
Total Liabilities	6,546,205
Deferred Inflows of Resources	
Property Taxes	3,535,052
Payments in Lieu of Taxes	18,036
Pension	3,853,639
OPEB	950,281
Total Deferred Inflows of Resources	8,357,008
Net Position	
Net Investment in Capital Assets	4,695,647
Restricted For:	
State Programs	81,187
Federal Programs	3,008
Food Service Operations	81,138
Student Activity Programs	123,202
Other Purposes	11,000
Unrestricted (Deficit)	79,283
Total Net Position	$5,074,465

See accompanying notes to the basic financial statements

Belmont-Harrison Vocational School District
Statement of Activities
For the Fiscal Year Ended June 30, 2022

		Program Revenues		Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular	$265,379	$0	$0	($265,379)
Special	50,000	0	50,000	0
Vocational	4,140,494	8,650	547,449	(3,584,395)
Student Intervention Services	51,701	0	57,310	5,609
Support Services:				
Pupil	646,921	0	133,795	(513,126)
Instructional Staff	152,614	0	33,076	(119,538)
Board of Education	36,815	0	0	(36,815)
Administration	786,097	0	8,480	(777,617)
Fiscal	408,365	0	14,047	(394,318)
Operation and Maintenance of Plant	775,128	0	0	(775,128)
Pupil Transportation	9,733	0	0	(9,733)
Central	244,510	0	0	(244,510)
Food Service Operations	320,846	32,726	351,228	63,108
Extracurricular Activities	29,577	29,579	0	2
Interest and Fiscal Charges	7,231	0	0	(7,231)
Total Governmental Activities	$7,925,411	$70,955	$1,195,385	(6,659,071)

General Revenues	
Property Taxes Levied for General Purposes	3,697,337
Revenue in Lieu of Taxes for General Purposes	8,755
Grants and Entitlements not Restricted to Specific Programs	4,605,555
Interest	20,308
Miscellaneous	27,761
Total General Revenues	8,359,716
Change in Net Position	1,700,645
Net Position Beginning of Year	3,373,820
Net Position End of Year	$5,074,465

See accompanying notes to the basic financial statements

Belmont-Harrison Vocational School District
Balance Sheet
Governmental Activities
June 30, 2022

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	$5,674,543	$2,424,088	$8,098,631
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	11,000	0	11,000
Receivables:			
Property Taxes	3,963,183	0	3,963,183
Intergovernmental	4,833	44,658	49,491
Revenue in Lieu of Taxes	18,036	0	18,036
Interfund	16,210	0	16,210
Prepaid Items	57,106	382	57,488
Materials and Supplies Inventory	0	3,590	3,590
Total Assets	$9,744,911	$2,472,718	$12,217,629
Liabilities			
Accounts Payable	$19,411	$1,770	$21,181
Accrued Wages and Benefits Payable	581,838	34,337	616,175
Interfund Payable	0	16,210	16,210
Intergovernmental Payable	81,082	7,003	88,085
Matured Severance Payable	34,561	0	34,561
Total Liabilities	716,892	59,320	776,212
Deferred Inflows of Resources			
Property Taxes	3,535,052	0	3,535,052
Payments in Lieu of Taxes	18,036	0	18,036
Unavailable Revenue	206,681	0	206,681
Total Deferred Inflows of Resources	3,759,769	0	3,759,769
Fund Balances			
Nonspendable:			
Materials and Supplies Inventory	0	3,590	3,590
Prepaid Items	57,106	382	57,488
Restricted for:			
State Programs	0	81,187	81,187
Federal Programs	0	3,008	3,008
Food Service Operations	0	77,166	77,166
Student Activity Programs	0	123,202	123,202
Underground Storage Tank Premiums	11,000	0	11,000
Committed to Capital Projects	0	2,124,863	2,124,863
Assigned to:			
Purchases on Order	83,265	0	83,265
Future Appropriations	606,000	0	606,000
Unassigned (Deficit)	4,510,879	0	4,510,879
Total Fund Balances	5,268,250	2,413,398	7,681,648
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$9,744,911	$2,472,718	$12,217,629

See accompanying notes to the basic financial statements

Belmont-Harrison Vocational School District
Reconciliation of Total Fund Balances to
Net Position of Governmental Activities
June 30, 2022

Total Governmental Fund Balances		$7,681,648
Amounts reported for governmental activities on 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.		5,060,647
Other long-term assets are not available to pay for current period expenditures and are therefore reported as deferred inflows of resources in the funds:		
Delinquent Property Taxes		206,681
On the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is is reported when due.		(608)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
General Obligation Bonds	(365,000)	
Bond Premium	(13,218)	
Compensated Absences	(489,954)	
Total		(868,172)
The net OPEB asset, net pension liability, and net OPEB liability are not due and payable in the current period; therefore, the asset, the liability, and the related deferred inflows/outflows are not reported in the governmental funds:		
Net OPEB Asset	589,466	
Deferred Outflows - Pension	1,862,733	
Deferred Outflows - OPEB	263,413	
Net Pension Liability	(4,457,400)	
Net OPEB Liability	(460,023)	
Deferred Inflows - Pension	(3,853,639)	
Deferred Inflows - OPEB	(950,281)	
Total		(7,005,731)
Net Position of Governmental Activities		$5,074,465

See accompanying notes to the basic financial statements

Belmont-Harrison Vocational School District

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Activities

For the Fiscal Year Ended June 30, 2022

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	$3,633,058	$0	$3,633,058
Intergovernmental	5,196,325	616,710	5,813,035
Interest	20,308	0	20,308
Rent	6,000	0	6,000
Extracurricular Activities	503	29,076	29,579
Revenue in Lieu of Taxes	8,755	0	8,755
Charges for Services	2,650	32,726	35,376
Miscellaneous	25,359	2,402	27,761
Total Revenues	8,892,958	680,914	9,573,872
Expenditures			
Current:			
Instruction:			
Regular	293,565	0	293,565
Special	50,000	0	50,000
Vocational	4,347,116	7,034	4,354,150
Student Intervention Services	0	60,359	60,359
Support Services:			
Pupil	498,662	183,814	682,476
Instructional Staff	121,321	40,219	161,540
Board of Education	44,391	0	44,391
Administration	856,418	8,931	865,349
Fiscal	424,253	0	424,253
Operation and Maintenance of Plant	721,886	14,047	735,933
Central	243,233	0	243,233
Food Service Operations	81	313,790	313,871
Extracurricular Activities	36,201	29,901	66,102
Capital Outlay	0	90,137	90,137
Debt Service			
Principal Retirement	0	50,000	50,000
Interest and Fiscal Charges	0	9,125	9,125
Total Expenditures	7,637,127	807,357	8,444,484
Excess of Revenues Over (Under) Expenditures	1,255,831	(126,443)	1,129,388
Other Financing Sources (Uses)			
Transfers In	0	1,059,125	1,059,125
Transfers Out	(1,059,125)	0	(1,059,125)
Total Other Financing Sources (Uses)	(1,059,125)	1,059,125	0
Net Change in Fund Balances	196,706	932,682	1,129,388
Fund Balances Beginning of Year	5,071,544	1,480,716	6,552,260
Fund Balances End of Year	$5,268,250	$2,413,398	$7,681,648

See accompanying notes to the basic financial statements

Reconciliation of the Changes in Fund Balances

Reconciliation of the Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds		$1,129,388
Amounts reported for governmental activities on the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital Asset Additions	145,897	
Current Year Depreciation	(332,212)	
Total		(186,315)
Revenues on the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:		
Delinquent Property Taxes	64,279	
Intergovernmental Revenues	(12,095)	
Total		52,184
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Position.		
General Obligation Bonds		50,000
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the Statement of Activities.		(89)
Bond premiums are reported as other financing sources in the governmental funds, but are allocated as an expense over the life of the bonds on the Statement of Activities.		1,983
Some expenses reported on the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in the funds:		
Compensated Absences Payable		5,751
Contractually required contributions are reported as expenditures in the governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows:		
Pension	612,345	
OPEB	13,519	
Total		625,864
Except for amounts reported as deferred inflows/outflows, changes in net pension/OPEB (asset)/liability are reported as pension/OPEB expense on the Statement of Activities:		
Pension	638	
OPEB	21,241	
Total		21,879
Change in Net Position of Governmental Activities		$1,700,645

See accompanying notes to the basic financial statements

Belmont-Harrison Vocational School District
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	$3,576,000	$3,683,000	$3,586,295	($96,705)
Intergovernmental	4,703,000	5,194,000	5,191,492	(2,508)
Interest	10,060	24,060	20,308	(3,752)
Tuition and Fees	190,100	100	0	(100)
Rent	6,000	6,000	6,000	0
Extracurricular Activities	1,500	1,500	503	(997)
Revenue in Lieu of Taxes	18,000	15,000	8,755	(6,245)
Contributions and Donations	500	500	0	(500)
Charges for Services	5,000	5,000	2,650	(2,350)
Miscellaneous	16,900	32,900	25,359	(7,541)
Total Revenues	8,527,060	8,962,060	8,841,362	(120,698)
Expenditures				
Current:				
Instruction:				
Regular	319,015	303,690	290,277	13,413
Special	0	50,000	50,000	0
Vocational	4,704,282	4,799,746	4,338,449	461,297
Support Services:				
Pupil	533,900	550,400	494,266	56,134
Instructional Staff	130,900	142,065	121,039	21,026
Board of Education	50,600	50,150	46,782	3,368
Administration	942,496	1,035,476	868,146	167,330
Fiscal	456,400	443,400	422,046	21,354
Operation and Maintenance of Plant	807,256	2,136,140	741,966	1,394,174
Central	265,450	273,050	266,777	6,273
Food Service Operations	0	300	81	219
Extracurricular Activities	39,680	45,932	36,599	9,333
Total Expenditures	8,249,979	9,830,349	7,676,428	2,153,921
Excess of Revenues Over (Under) Expenditures	277,081	(868,289)	1,164,934	2,033,223
Other Financing Sources (Uses)				
Advances Out	0	(13,500)	(13,309)	191
Transfers Out	(1,161,600)	(1,059,200)	(1,059,125)	75
Total Other Financing Sources (Uses)	(1,161,600)	(1,072,700)	(1,072,434)	266
Net Change in Fund Balances	(884,519)	(1,940,989)	92,500	2,033,489
Prior Year Encumbrances Appropriated	97,049	97,049	97,049	0
Fund Balances Beginning of Year	5,415,639	5,415,639	5,415,639	0
Fund Balances End of Year	$4,628,169	$3,571,699	$5,605,188	$2,033,489

See accompanying notes to the basic financial statements

Belmont-Harrison Vocational School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Private Purpose Trust Fund
Assets	
Equity in Pooled Cash and Cash Equivalents	$93,105
Net Position	
Held in Trust for Scholarship	$93,105

See accompanying notes to the basic financial statements

Belmont-Harrison Vocational School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2022

	Private Purpose Trust Fund
Additions	
Gifts and Contributions	$23,750
Interest	234
Total Additions	23,984
Deductions	
Payments in Accordance with Trust Agreements	20,000
Change in Net Position	3,984
Net Position Beginning of Year	89,121
Net Position End of Year	$93,105

See accompanying notes to the basic financial statements

NOTE 1 - DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

The Belmont-Harrison Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of eleven members, one or two representatives from the eight participating school districts' elected boards, which possesses its own budgeting and taxing authority. The School District exposes students to job training leading to employment upon graduation from high school.

The School District was formed in 1967 and was opened for instruction in 1971. It is staffed by 22 classified employees and 58 certificated employees to provide services to Belmont, Harrison, Jefferson, and Carroll County freshman, sophomores, juniors, and seniors. Additionally, the School District provides satellite programs which are located at the Barnesville Exempted Village School District, the Shadyside Local School District, and the St. Clairsville-Richland City School District. These satellite programs serve seventh grade through senior students. For fiscal year 2022, the average daily membership was 435.

***Reporting Entity**:*

Since the School District does not have a separately elected governing board and does not meet the definition of a component unit, it is classified as a stand-alone government under the provisions of Governmental Accounting Standards Board Statement 14, "The Financial Reporting Entity," and Governmental Accounting Standards Board Statement 61, "The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34."

The reporting entity is composed of the stand-alone government, component units, and other organizations that are included to ensure that the financial statements of the School District are not misleading. The stand-alone government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the Belmont-Harrison Vocational School District, this includes general operations, food service, and student related activities of the School District.

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

The School District is involved with five organizations; two jointly governed organizations, three insurance purchasing pools. These organizations include Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council), the Coalition of Rural and Appalachian Schools (CORAS), the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), the Ohio School Plan (OSP), and the Portage Area School Consortium (Consortium). These organizations are presented in Notes 16 and 17.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the School District, except for fiduciary funds. The statements usually distinguish between those activities of the School District that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). The School District, however; has no business type activities.

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

Fund Financial Statements

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

Fund Accounting

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

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

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

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

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. The School District has a private-purpose trust which accounts for a college scholarship program for students. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District has no custodial funds.

Measurement Focus

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

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

Like the government-wide statements, all fiduciary 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 Fiduciary Net Position. In the fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Fiduciary funds also use 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 outflows/inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

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

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the Governmental Fund Financial Statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the School District unavailable revenue includes delinquent property taxes and intergovernmental 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 Balance to Net Position of Governmental Activities found on page 17. Net Deferred inflows of resources related to pension and OPEB are reported on the government-wide Statement of Net Position. See Notes 11 and 12 for more information.

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.

Pensions/Other Postemployment Benefits (OPEB)

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

Cash and Cash Equivalents

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

During fiscal year 2022, the School 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 School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of $100 million or more is encouraged. STAR Ohio reserves the right to limit the transaction to $250 million per day, requiring the excess amount to be transacted 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 2022 amounted to $20,308, which includes $4,686 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements to be cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other government or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the governmental funds include restricted cash for insurance premiums related to the underground storage tank.

Prepaid Items

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

Inventory

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

Capital Assets

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

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

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

Description	Governmental Activities Estimated Lives
Land Improvements	20 years
Buildings and Improvements	21 - 50 years
Furniture and Equipment	5 - 25 years
Vehicles	8 - 15 years

Interfund Balances

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for vacation eligible employees with more than one year of service. The liability for vacation benefits is recorded as long-term liabilities, as the balances for most employees can be carried for up to at least three years plus the current year accrual.

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

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

On the government fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon occurrence of employee resignations and retirements. These amounts are recorded in the account "matured severance payable" in the fund from which the employees who have accumulated leave are paid.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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

Bond Premiums

On the government-wide financial statements, bond premiums are amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are presented as an addition of the face amount of the bonds. On the governmental fund financial statements, bond premiums are recognized in the period in which the bonds are issued.

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

Internal Activity

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

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

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

Fund Balance

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

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

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

Enabling legislation authorizes the School District to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the School District can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specific by the legislation.

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

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

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

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

Net Position

Net Position represents the difference between all other elements in a statement of financial position. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include local resources to be used for insurance premiums related to Underground Storage Tanks.

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

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 event occurred in fiscal year 2022.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Budgetary Process

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

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

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

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCES AND NET POSITION

For fiscal year 2022, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases and related guidance from (GASB) Implementation Guide No. 2019-3, *Leases*.

GASB Statement 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The School District did not have any contracts that met the GASB 87 definition of a lease.

The School District is also implementing *Implementation Guide No. 2020-1,* GASB Statement No. 92 –*Omnibus 2020, and* GASB Statement No. 97 -- *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. These changes were incorporated in the School District's 2022 financial statements; however, there was no effect on beginning net position/fund balance.

For fiscal year 2022, the School District modified its approach related to the eligibility requirements of certain School District grants however, there was no effect on beginning net position/fund balance.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

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

Net Change in Fund Balance

	General
GAAP Basis	$196,706
Revenue Accruals	(51,596)
Expenditure Accruals	30,655
Encumbrances	(83,265)
Budget Basis	$92,500

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

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

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

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

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

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

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2022, $245,743 of the School District's total bank balance of $772,515 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The School District's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

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

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

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

Investments

As of June 30, 2022, the School District's only investment was in STAR Ohio. STAR Ohio is measured at net asset value per share. The value of the investments in STAR Ohio was $7,668,791 and the investment has an average maturity of 35.3 days.

Interest Rate Risk: The School District's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years, and allows for the withdrawal of funds from approved public depositories or sale of negotiable instruments prior to maturity. State Statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk: STAR Ohio carries a rating of AAAm by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that addresses credit risk.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar 2022 represents collections of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed value listed as of January 1, 2021, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State Statute permits alternate payment dates to be established. Public utility property tax revenue received in calendar year 2022 represents collections of calendar year 2021 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien December 31, 2020 were levied after April 1, 2021 and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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

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

The amount available as an advance at June 30, 2022, was $221,450 in the General Fund. The amount available as an advance at June 30, 2021, was $174,687 in the General Fund.

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

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

	2021 Second Half Collections		2022 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	$1,549,916,340	76.50%	$1,637,000,920	79.18%
Public Utility Personal	476,023,690	23.50%	430,355,970	20.82%
Total Assessed Value	$2,025,940,030	100.00%	$2,067,356,890	100.00%
Tax Rate per $1,000 of assessed valuation		$1.45		$1.45

NOTE 7 - RECEIVABLES

Receivables at June 30, 2022, consisted of property taxes, revenue in lieu of taxes, 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 State programs, and the current year guarantee of federal funds. Delinquent property taxes deemed collectible by the County Auditor and recorded as a receivable in the amount of $206,681 may not be collected within in one year. All other receivables are expected to be collected within one year. A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Billings to Other School Districts	$4,833
Title-II Perkins Grant	44,658
Total Intergovernmental Receivable	$49,491

Payment in Lieu of Taxes

Up Town

The School District entered into a thirty year Tax Increment Financing Agreement (TIF) in 2013. The purpose of the TIF was for the public infrastructure improvements in the Up Town section of the Village of Cadiz. The School District began receiving payments in fiscal year 2015. During fiscal year 2022, a payment in the amount of $5,512 was received. As of June 30, 2022, a receivable for $5,512 has been recorded which represents the payment anticipated for fiscal year 2023.

Business Development

On December 21, 2015, the Board of Education adopted a resolution authorizing a tax increment financing arrangement (TIF), pursuant to Ohio Revised Code Sections 5709.77 through 5709.80 with Belmont County and the St. Clairsville Richland City School District. The School District began receiving payments in fiscal year 2019. During fiscal year 2022, a payment in the amount of $3,243 was received. As of June 30, 2022, a receivable for $3,202 has been recorded which represents the payment anticipated for fiscal year 2023.

St. Clair Commons

On June 20, 2016, the Board of Education adopted a resolution authorizing a tax increment financing arrangement (TIF), and revenue sharing agreement, pursuant to Ohio Revised Code Sections 5709.40 and 5709.82 respectively, with the City of St. Clairsville. As of June 30, 2022, a receivable for $9,322 has been recorded which represents the anticipated initial payment.

NOTE 8 - INTERNAL BALANCES

Interfund balances at June 30, 2022, consist of the following interfund receivables and payables:

	Interfund Receivable
Interfund Payable	General
Other Nonmajor Governmental	$16,210

The loans made to the Nonmajor Governmental Funds were used to cover an actual cash deficit in the Miscellaneous Federal Grants Fund and an advance to the Emergency Connectivity Fund to support the programs until grant monies are received.

Interfund transfers for the year ended June 30, 2022, consist of the following:

	Transfer from
Transfer to	General
Other Nonmajor Governmental	$1,059,125

The transfers were used to move receipts from the General Fund to the Debt Service Fund for scheduled debt service payments and to the Capital Projects Fund for the purpose of acquiring, constructing, or improving the capital assets of the School District.

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NOTE 9 - CAPITAL ASSETS

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

	Balance 6/30/21	Additions	Deletions	Balance 6/30/22
Nondepreciable Capital Assets:				
Land	$1,090,229	$0	$0	$1,090,229
Construction in Progress	0	87,885	0	87,885
Total Nondepreciable Capital Assets	1,090,229	87,885	0	1,178,114
Depreciable Capital Assets:				
Land Improvements	938,770	0	0	938,770
Buildings and Improvements	7,539,384	0	0	7,539,384
Furniture and Equipment	1,713,193	58,012	0	1,771,205
Vehicles	362,956	0	0	362,956
Total Depreciable Capital Assets	10,554,303	58,012	0	10,612,315
Accumulated Depreciation:				
Land Improvements	(159,658)	(42,353)	0	(202,011)
Buildings and Improvements	(4,681,309)	(186,337)	0	(4,867,646)
Furniture and Equipment	(1,356,150)	(82,092)	0	(1,438,242)
Vehicles	(200,453)	(21,430)	0	(221,883)
Total Accumulated Depreciation	(6,397,570)	(332,212)	0	(6,729,782)
Total Depreciable Capital Assets, Net	4,156,733	(274,200)	0	3,882,533
Governmental Capital Assets, Net	$5,246,962	($186,315)	$0	$5,060,647

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Vocational	$236,349
Support Services:	
Pupils	342
Administration	8,273
Fiscal	1,863
Maintenance	63,008
Transportation	9,733
Central	1,277
Food Service Operations	11,367
Total	$332,212

NOTE 10 - RISK MANAGEMENT

Property and Liability Insurance

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2022 the School District joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP (See Note 17). The Belmont-Harrison Vocational School District contracted with the Ohio School Plan for liability, property, and fleet insurance.

Property:	
Building and Contents - replacement cost ($1,000 Deductible)	$34,957,748
Flood Coverage ($25,000 Deductible)	5,000,000
Commercial Auto Coverage:	
Auto Liability (Deductible: $1,000 for Buses, $250 for All Other)	3,000,000
Uninsured Motorists	1,000,000
Educational General Liability:	
Each Occurrence	3,000,000
Aggregated Limit	5,000,000
Personal and Advertising Injury Limit - Each Occurrence	3,000,000
Sexual Misconduct Liability:	
Each Occurrence	3,000,000
Aggregated Limit	5,000,000
Employers' Liability:	
Each Occurrence	3,000,000
Employee Benefits Liability:	
Each Occurrence	3,000,000
Aggregated Limit	5,000,000
School Leaders Errors and Omissions Liability:	
Each Occurrence	3,000,000
Aggregated Limit	5,000,000
Crime Coverage:	
Employee Theft, Forgery or Alteration ($1,000 Deductible)	100,000

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

Worker's Compensation

For fiscal year 2022, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. Sedgwick provides administrative, cost control, and actuarial services to the GRP.

Employee Benefits

Medical/surgical, prescription drug, life and dental insurance is offered to all employees through the Portage Area Schools Consortium (Consortium) for health insurance for the School District's employees. The Consortium was established in 1981 so that thirteen educational-service providers in Portage County could manage risk exposures and purchase necessary insurance coverage as a group. The Consortium currently has 25 members. The Consortium has organized into two distinct entities to facilitate its risk management operations. The Portage Area Schools Consortium Property and Casualty Insurance Pool functions to manage the School District's physical property and liability risk. The Portage Area Schools Consortium Health and Welfare Trust is organized under provisions of Section 501 (c) (9) of the Internal Revenue Code. Its purpose is to facilitate the management of risks associated with providing employee benefits, coverage such as health and accident insurance, disability insurance and life insurance. The School District participates in the Portage Area Schools Consortium Health and Welfare Trust. A third-party administrator is retained by the consortium to facilitate the operation of the Portage Area Schools Consortium Health and Welfare Trust. The School District pays all insurance premiums directly to the Consortium; one of its administrators serves as a trustee of the consortium's governing board as provided in the Consortium's enabling authority. The School District recognizes that it retains a contingent liability to provide insurance coverage should the assets of the Consortium become depleted.

Medical/surgical and prescription drug insurance are offered to employees through the Portage Area School Consortium. The medical/surgical coverage is based on a usual, customary, and reasonable claim plan. The monthly premiums for this coverage is $889.43 for individual coverage and $2,532.79 for family coverage of which the Board pays 85 percent of the premium. The premium is paid from the fund that pays the salary of the covered employee. Prescription drug coverage in included with the medical/surgical premium. Dental insurance coverage is provided with a monthly premium of $47.77 for individual coverage and $111.60 for family coverage, of which the Board pays 90 percent of the premium.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, 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 *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 0.5 percent COLA for calendar year 2021.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2022, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was $119,697 for fiscal year 2022, of which the full amount has been contributed.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 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 that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2022 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2022, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was $492,648 for fiscal year 2022. Of this amount $73,808 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.02392480%	0.02795772%	
Prior Measurement Date	0.02251220%	0.02876261%	
Change in Proportionate Share	0.00141260%	-0.00080489%	
Proportionate Share of the Net Pension Liability	$882,755	$3,574,645	$4,457,400
Pension Expense	$45,586	($46,224)	($638)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$85	$110,439	$110,524
Changes of assumptions	18,588	991,671	1,010,259
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	79,217	50,388	129,605
School District contributions subsequent to the measurement date	119,697	492,648	612,345
Total Deferred Outflows of Resources	$217,587	$1,645,146	$1,862,733
Deferred Inflows of Resources			
Differences between expected and actual experience	$22,893	$22,406	$45,299
Net difference between projected and actual earnings on pension plan investments	454,645	3,080,661	3,535,306
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	0	273,034	273,034
Total Deferred Inflows of Resources	$477,538	$3,376,101	$3,853,639

$612,345 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	($52,585)	($578,278)	($630,863)
2024	(79,417)	(466,650)	(546,067)
2025	(108,098)	(528,489)	(636,587)
2026	(139,548)	(650,186)	(789,734)
Total	($379,648)	($2,223,603)	($2,603,251)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2021, compared with June 30, 2020, are presented below:

	June 30, 2021	June 30, 2020
Inflation	2.4 percent	3.00 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2.5 percent
Investment Rate of Return	7.00 percent net of System expenses	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

Mortality rates for 2021 were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Mortality rates for 2020 were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the 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.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

Discount Rate The total pension liability for 2021 was calculated using the discount rate of 7.00 percent. The discount rate for 2020 was 7.5 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$1,468,689	$882,755	$388,613

Actuarial Assumptions – STRS

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

	June 30, 2021	June 30, 2020
Inflation	2.50 percent	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent	7.45 percent
Payroll Increases	3.00 percent	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent	0.0 percent,

Post-retirement 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. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

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

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

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

* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 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, 2021, and was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2021.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$6,693,974	$3,574,645	$938,820

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

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2022, two members of the Board of Education have elected Social Security. The contribution rate is 6.2 percent of wages.

NOTE 12 - DEFINED BENEFIT OPEB PLAN

See Note 11 for a description of the net OPEB liability

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org 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 2022, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 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 2022, the School District's surcharge obligation was $13,519.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was $13,519 for fiscal year 2022. Of this amount $13,519 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.02430670%	0.02795772%	
Prior Measurement Date	0.02216310%	0.02876261%	
Change in Proportionate Share	0.00214360%	-0.00080489%	
Proportionate Share of the:			
Net OPEB Liability	$460,023	$0	$460,023
Net OPEB (Asset)	$0	($589,466)	($589,466)
OPEB Expense	$18,091	($39,332)	($21,241)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$4,903	$20,989	$25,892
Changes of assumptions	72,167	37,653	109,820
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	98,471	15,711	114,182
School District contributions subsequent to the measurement date	13,519	0	13,519
Total Deferred Outflows of Resources	$189,060	$74,353	$263,413
Deferred Inflows of Resources			
Differences between expected and actual experience	$229,113	$108,001	$337,114
Changes of assumptions	62,997	351,659	414,656
Net difference between projected and actual earnings on OPEB plan investments	9,994	163,390	173,384
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	9,620	15,507	25,127
Total Deferred Inflows of Resources	$311,724	$638,557	$950,281

$13,519 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	($28,797)	($159,168)	($187,965)
2024	(28,865)	(155,075)	(183,940)
2025	(35,405)	(158,974)	(194,379)
2026	(30,798)	(68,041)	(98,839)
2027	(10,584)	(23,414)	(33,998)
Thereafter	(1,734)	468	(1,266)
Total	($136,183)	($564,204)	($700,387)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2021, compared with June 30, 2020, are presented below:

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

For 2021, mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 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.

For 2020, mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2015 through 2020, and was adopted by the Board in 2021.

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

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

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

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate.

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
School District's proportionate share of the net OPEB liability	$570,026	$460,023	$372,147

	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	$354,181	$460,023	$601,398

Actuarial Assumptions – STRS

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

	June 30, 2021	June 30, 2020
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.45 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	5.00 percent initial, 4 percent ultimate	5.00 percent initial, 4 percent ultimate
Medicare	-16.18 percent initial, 4 percent ultimate	-6.69 percent initial, 4 percent ultimate
Prescription Drug		
Pre-Medicare	6.50 percent initial, 4 percent ultimate	6.50 percent initial, 4 percent ultimate
Medicare	29.98 initial, 4 percent ultimate	11.87 initial, 4 percent ultimate

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

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 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, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2021, and was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB liability as of June 30, 2021.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2021, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	($497,418)	($589,466)	($666,358)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	($663,242)	($589,466)	($498,234)

Changes Between the Measurement Date and the Reporting date In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. The effect on the net OPEB liability is unknown.

NOTE 13 - OTHER EMPLOYEE BENEFITS

Compensated Absences

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

Full-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 up to a maximum of 300 days for all personnel. Upon retirement, payment is made for one-third of accrued, but unused sick leave credit.

Insurance Benefits

The School District provides life insurance through Guardian Life, in the amount of $50,000 for all full-time employees. The School District pays 100 percent of the premiums of $5.50 per month for all employees. The School District provides vision insurance through Vision Service Plan. The School District provides vision insurance is $18.37 for single and $41.58 for family, per month, of which the Board pays 90 percent of the premium.

NOTE 14 - COMMITMENTS

Encumbrances

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

General Fund	$83,265
Other Non-major Governmental Funds	363,451
Total	$446,716

Construction Commitments

At June 30, 2022, the School District has the following construction commitments:

Fund	Project	Contract Award	Amount Paid as of 6/30/2022	Amount Remaining
Capital Projects / Elementary and Secondary School Emergency Relief Fund	HVAC Controls	$447,000	$87,885	$359,115

NOTE 15 - LONG - TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2022 were as follows:

	Outstanding 6/30/21	Additions	Reductions	Outstanding 6/30/22	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
2013 Energy Conservation and School Improvement Bonds					
Term Bonds $680,000 @ 1.0% - 2.5%	$415,000	$0	$50,000	$365,000	$50,000
Premium $31,726	15,201	0	1,983	13,218	0
Total General Obligation Bonds	430,201	0	51,983	378,218	50,000
Compensated Absences	495,705	98,879	104,630	489,954	55,218
Other Long-Term Obligations:					
Net Pension Liability					
SERS	1,489,005	0	606,250	882,755	0
STRS	6,959,528	0	3,384,883	3,574,645	0
Total Net Pension Liability	8,448,533	0	3,991,133	4,457,400	0
SERS Net OPEB Liability	481,678	0	21,655	460,023	0
Total Governmental Activities	$9,856,117	$98,879	$4,169,401	$5,785,595	$105,218

2013 Energy Conservation and School Improvement Bonds

On February 12, 2013, Belmont-Harrison Vocational School District issued $682,575 of general obligation bonds, which included capital appreciation bonds in the amount of $2,575, in accordance with House Bill 264. The bonds were issued to finance an energy conservation project. The term bonds were issued at a 1.0 percent to 2.5 percent interest rate, for a period of fifteen years with a final maturity of December 1, 2028. The bonds were issued at a premium of $31,726, which is being reported as an increase to bonds payable. This amount is being amortized over the life of the bonds using the straight-line method.

As part of the bond issuance, the School District, pursuant to Section 3317.18, Ohio Revised Code, and Section 3301-8-01, Ohio Administrative Code, participated in the Ohio Credit Enhancement Program. On December 13, 2012, Moody's Investor Service reviewed and assigned a rating of Aa2 to the Energy Conservation and School Improvement Bonds. In the event the School District is unable to make sufficient debt service payments and the payment will not be made by a credit enhancement facility, the Department of Education will make the sufficient payment.

The Term Bonds maturing on December 1, 2016, were subject to mandatory sinking fund redemption at the redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the and in the respective principal amounts as follows:

Redemption Date (December 1)	Principal Amount to be Redeemed
2014	$35,000
2015	45,000

The remaining principal amount of such Term Bonds ($45,000) matured at stated maturity on December 1, 2016. The Term Bonds maturing on December 1, 2020, are subject to mandatory sinking fund redemption at the redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the and in the respective principal amounts as follows:

Redemption Date (December 1)	Principal Amount to be Redeemed
2018	$45,000
2019	45,000

The remaining principal amount of such Term Bonds ($50,000) will mature at stated maturity on December 1, 2020.

The Term Bonds maturing on December 1, 2023, are subject to mandatory sinking fund redemption at the redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the and in the respective principal amounts as follows:

Redemption Date (December 1)	Principal Amount to be Redeemed
2021	$50,000
2022	50,000

The remaining principal amount of such Term Bonds ($50,000) will mature at stated maturity on December 1, 2023.

The Term Bonds maturing on December 1, 2028, are subject to mandatory sinking fund redemption at the redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the and in the respective principal amounts as follows:

Redemption Date (December 1)	Principal Amount to be Redeemed
2024	$50,000
2025	50,000
2026	55,000
2027	55,000

The remaining principal amount of such Term Bonds ($55,000) will mature at stated maturity on December 1, 2028.

The final capital appreciation bonds for this issue matured on December 1, 2017. These bonds were purchased at a substantial discount at the time of issuance. At maturity all compounded interest was paid and the bond holder received the face value of the bond. There are no outstanding capital appreciation bonds remaining at June 30, 2022.

The principal and interest requirements to retire the remaining general obligation bonds for the Energy Conservation and School Improvement Bonds are as follows:

	Term Bonds		
Fiscal Year Ending June 30	Principal	Interest	Total
2023	$50,000	$8,625	$58,625
2024	50,000	7,625	57,625
2025	50,000	6,625	56,625
2026	50,000	5,375	55,375
2027	55,000	4,125	59,125
2028-2029	110,000	4,125	114,125
Total	$365,000	$36,500	$401,500

The School District's overall legal debt margin was $185,697,120, with an unvoted debt margin of $2,067,357, at June 30, 2022.

Compensated Absences

The School District pays compensated absences from the General Fund.

Net Pension/OPEB Liability

There is no repayment schedule for the net pension/OPEB liability. However, employer pension contributions are made from the General Fund and the Miscellaneous Federal Grant and Food Service Special Revenue Funds. For additional information related to the net pension/OPEB liability, see Notes 11 and 12.

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council)

The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council). The Council was created as a separate regional council of governments pursuant to State Statutes. The Council operates under the direction of a Board comprised of a representative from each participating school district. The Board exercised total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the Board. The Council provides information technology and internet access to member districts, as well as cooperative purchasing programs. During fiscal year 2022, the total amount paid to the Council from the School District was $35,544 for technology services, financial accounting services and educational management information. The Jefferson County Educational Service Center serves as the fiscal agent. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency, Treasurer, at 2023 Sunset Blvd., Steubenville, Ohio 43952.

Coalition of Rural and Appalachian Schools (CORAS)

The Coalition of Rural and Appalachian Schools is a jointly governed organization including over 179 school districts in southeastern Ohio. The Coalition is operated by a Board which is comprised of fourteen members. The board members are comprised of one superintendent from each county elected by the school districts within that county. The Coalition provides various in-service for school district administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Board exercises total control over the operations of the Coalition including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the Board. The School District's membership fee was $325 for fiscal year 2022.

NOTE 17 - PUBLIC ENTITY INSURANCE PURCHASING POOLS

Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP)

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association. The Executive Director of the Ohio School Boards Association, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program. The School District's enrollment fee of $630 for policy year 2022 was paid to Sedgwick.

Ohio School Plan (OSP)

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

The Portage Area School Consortium (Consortium)

The School District participates in the Portage Area School Consortium (Consortium) a regional council of governments established pursuant to Chapter 167 of the Ohio Revised Code, consisting of various school districts. The Consortium is a stand-alone entity, composed of two stand-alone Pools: the Portage Area Schools Consortium Property and Casualty Pool and the Portage Area Schools Consortium Health and Welfare Insurance Pool. These pools were established by the Consortium on August 5, 1988, to provide property and casualty risk management services and risk sharing to its members. The pools were established as local government risk pools under Section 1744.081 of the Ohio Revised Code and are not subject to federal tax filing requirements.

NOTE 18 - SET-ASIDE CALCULATIONS AND FUND RESTRICTIONS

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

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

	Capital Improvements
Set-aside Restricted Balance as of June 30, 2021	$0
Current Year Set-aside Requirement	76,123
Current Year Qualifying Expenditures	(244,818)
Totals	($168,695)
Balance Carried Forward to Fiscal Year 2023	$0
Set-aside Restricted Balance as of June 30, 2022	$0

The School District had current year qualifying expenditures which reduced the set-aside amount to below zero for the capital acquisition set-aside which may not be carried forward to future fiscal years. The School District also had current and prior fiscal year expenditures from debt proceeds that may be carried forward to future fiscal years.

NOTE 19 - CONTINGENCIES

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2022.

State Foundation Funding

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

Litigation

The School District is not currently party to any legal proceedings.

NOTE 20 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2022, the school district received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

Required

Supplementary

Information

Belmont-Harrison Vocational School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
*Last Nine Fiscal Years (1)**

	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.02392480%	0.02251220%	0.02059970%
School District's Proportionate Share of the Net Pension Liability	$882,755	$1,489,005	$1,232,516
School District's Covered Payroll	$825,821	$789,229	$706,689
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	106.89%	188.67%	174.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.86%	68.55%	70.85%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added for each year.

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
0.02153740%	0.01820220%	0.01937750%	0.01865310%	0.01964700%	0.01964700%
$1,233,487	$1,087,542	$1,418,253	$1,064,365	$994,323	$1,168,344
$635,119	$600,593	$602,750	$568,065	$563,369	$520,701
194.21%	181.08%	235.30%	187.37%	176.50%	224.38%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

Belmont-Harrison Vocational School District

Required Supplementary Information

Schedule of the School District's Proportionate Share of the Net Pension Liability

State Teachers Retirement System of Ohio

*Last Nine Fiscal Years (1)**

	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.02795772%	0.02876261%	0.02937467%
School District's Proportionate Share of the Net Pension Liability	$3,574,645	$6,959,528	$6,496,032
School District's Covered Payroll	$3,444,143	$3,495,257	$3,457,150
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	103.79%	199.11%	187.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.80%	75.50%	77.40%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added for each year.

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
0.02862997%	0.02943764%	0.02859675%	0.02819944%	0.02799468%	0.02799468%
$6,295,088	$6,992,974	$9,572,194	$7,793,501	$6,809,275	$8,111,164
$3,277,136	$3,238,271	$3,029,871	$2,924,743	$2,883,454	$2,705,607
192.09%	215.95%	315.93%	266.47%	236.15%	299.79%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

Belmont-Harrison Vocational School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
*Last Six Fiscal Years (1) **

	2022	2021	2020	2019
School District's Proportion of the Net OPEB Liability	0.02430670%	0.02216310%	0.02089440%	0.02142330%
School District's Proportionate Share of the Net OPEB Liability	$460,023	$481,678	$525,450	$594,341
School District's Covered Payroll	$825,821	$789,229	$706,689	$635,119
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	55.70%	61.03%	74.35%	93.58%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.08%	18.17%	15.57%	13.57%

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

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

See accompanying notes to the required supplementary information.

2018	2017
0.01851980%	0.01963980%
$497,023	$559,807
$600,593	$602,750
82.76%	92.88%
12.46%	11.49%

Belmont-Harrison Vocational School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB (Asset) Liability
State Teachers Retirement System of Ohio
*Last Six Fiscal Years (1) **

	2022	2021	2020	2019
School District's Proportion of the Net OPEB (Asset) Liability	0.02795772%	0.02876261%	0.02937467%	0.02862997%
School District's Proportionate Share of the Net OPEB (Asset) Liability	($589,466)	($505,502)	($486,516)	($460,055)
School District's Covered Payroll	$3,444,143	$3,495,257	$3,457,150	$3,277,136
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-17.12%	-14.46%	-14.07%	-14.04%
Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset) Liability	174.70%	182.10%	174.70%	176.00%

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

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

See accompanying notes to the required supplementary information.

2018	2017
0.02943764%	0.02859675%
$1,148,548	$1,529,362
$3,238,271	$3,029,871
35.47%	50.48%
47.10%	37.30%

Belmont-Harrison Vocational School District
Required Supplementary Information
Schedule of School District Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2022	2021	2020	2019
Net Pension Liability				
Contractually Required Contribution	$119,697	$115,615	$110,492	$95,403
Contributions in Relation to the Contractually Required Contribution	(119,697)	(115,615)	(110,492)	(95,403)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$854,979	$825,821	$789,229	$706,689
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.50%
Net OPEB Liability				
Contractually Required Contribution (2)	$13,519	$13,939	$8,573	$14,943
Contributions in Relation to the Contractually Required Contribution	($13,519)	($13,939)	($8,573)	($14,943)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	1.58%	1.69%	1.09%	2.11%
Total Contributions as a Percentage of Covered Payroll (2)	15.58%	15.69%	15.09%	15.61%

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

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014	2013
$85,741	$84,083	$84,385	$74,871	$78,083	$72,065
(85,741)	(84,083)	(84,385)	(74,871)	(78,083)	(72,065)
$0	$0	$0	$0	$0	$0
$635,119	$600,593	$602,750	$568,065	$563,369	$520,701
13.50%	14.00%	14.00%	13.18%	13.86%	13.84%
$12,856	$10,319	$9,950	$14,619	$10,827	$10,338
($12,856)	($10,319)	($9,950)	($14,619)	($10,827)	($10,338)
$0	$0	$0	$0	$0	$0
2.02%	1.72%	1.65%	2.57%	1.92%	1.99%
15.52%	15.72%	15.65%	15.75%	15.78%	15.83%

Belmont-Harrison Vocational School District
Required Supplementary Information
Schedule of School District Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2022	2021	2020	2019
Net Pension Liability				
Contractually Required Contribution	$492,648	$482,179	$489,336	$484,001
Contributions in Relation to the Contractually Required Contribution	(492,648)	(482,179)	(489,336)	(484,001)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$3,518,914	$3,444,143	$3,495,257	$3,457,150
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

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

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014	2013
$458,799	$453,358	$424,182	$409,464	$374,849	$351,729
(458,799)	(453,358)	(424,182)	(409,464)	(374,849)	(351,729)
$0	$0	$0	$0	$0	$0
$3,277,136	$3,238,271	$3,029,871	$2,924,743	$2,883,454	$2,705,607
14.00%	14.00%	14.00%	14.00%	13.00%	13.00%
$0	$0	$0	$0	$28,835	$27,056
0	0	0	0	(28,835)	(27,056)
$0	$0	$0	$0	$0	$0
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

Beginning in fiscal year 2022, an assumption of 2.0 percent was used for COLA or Ad Hoc Cola. For fiscal years 2018 through 2021, an assumption of 2.5 percent was used. Prior to 2018, an assumption of 3 percent was used.

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

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

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

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

Changes in Assumptions - STRS

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

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

Beginning with fiscal year 2018, 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. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

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

Net OPEB Liability

Changes in Assumptions – SERS

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

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

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

Municipal Bond Index Rate:	
Fiscal year 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 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

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

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

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

Changes in Benefit Terms – STRS OPEB

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

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

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

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

WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS.

Belmont Harrison Vocational School District
Belmont County
68090 Hammond Road
St. Clairsville, Ohio 43950

To the Board of Education:

We have audited, in accordance with auditing standards general accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The Belmont Harrison Vocational School District, Belmont County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 12, 2023. We also noted the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the District.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Belmont Harrison Vocational School District's financial statements are free of 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 and 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 Standard*s.

Purpose of this Report

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

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
December 12, 2023

OHIO AUDITOR OF STATE
KEITH FABER

BELMONT-HARRISON VOCATIONAL SCHOOL DISTRICT

BELMONT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/21/2024

88 East Broad Street, Columbus, Ohio 43215
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