LIBERTY LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Zupka & Associates
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER

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

Board of Education
Liberty Local School District
4115 Shady Road
Youngstown, Ohio 44505

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

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

Keith Faber
Auditor of State
Columbus, Ohio

January 30, 2024

This page intentionally left blank.

LIBERTY LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS

This page intentionally left blank.

INDEPENDENT AUDITOR'S REPORT

Liberty Local School District
Trumbull County
4115 Shady Road
Youngstown, OH 44505

To the Members of the Board of Education:

Report on the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Zupka & Associates

Zupka & Associates
Certified Public Accountants

December 22, 2023

This page intentionally left blank.

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

Financial Highlights

- Outstanding long-term obligations increased about $4.7 million from fiscal year 2022. The increase is due to an increase in the net pension liability. The change was related to changes in assumptions, benefit terms and return on investments related to pension. This decrease was offset by the yearly payments on the outstanding obligations and a decrease in the net OPEB Liability.

- The School District's enrollment increased from fiscal year 2022 to fiscal year 2023.

- The School District has three Emergency Levies that need to be renewed every five years. These levies must pass by majority vote of the community in order for the School District to keep collecting their related tax revenue.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: (1) government-wide statements, (2) fund financial statements, and (3) notes to the basic financial statements.

Government-wide Financial Statements The government-wide financial statements are designed to provide the reader with a broad overview of the School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless *of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statement distinguishes functions of the School District that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from those that are primarily supported through user charges *(business-type activities).* The School District has no business-type activities. The governmental activities of the School District include instruction, support services, extracurricular activities, operation of non-instructional services, and interest and fiscal charges.

Fund Financial Statements A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like the State and local governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. These fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general, bond retirement and permanent improvement funds. All of the funds of the School District are governmental.

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 balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual*, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the School District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to financial educational programs. The relationship (or difference) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

Notes to the Basic Financial Statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Table 1 provides a comparison of the School District's net position for fiscal year 2023 compared to 2022.

Table 1
Net Position
Governmental Activities

	2023	2022	Change
Assets			
Current and Other Assets	$20,443,576	$16,462,532	$3,981,044
Net OPEB Asset	1,287,186	1,075,108	212,078
Capital Assets, Net	10,243,865	8,920,323	1,323,542
Total Assets	31,974,627	26,457,963	5,516,664
Deferred Outflows of Resources			
Pension	3,185,447	3,301,344	(115,897)
OPEB	318,012	408,875	(90,863)
Total Deferred Outflows of Resources	$3,503,459	$3,710,219	($206,760)

(continued)

Table 1
Net Position
Governmental Activities (continued)

	2023	2022	Change
Liabilities			
Current Liabilities	$2,892,497	$1,633,417	($1,259,080)
Long-Term Liabilities:			
Due Within One Year	259,242	281,824	22,582
Due in More Than One Year:			
Net Pension Liability	13,687,878	8,517,287	(5,170,591)
Net OPEB Liability	704,913	1,052,585	347,672
Other Amounts	4,969,004	5,046,350	77,346
Total Liabilities	22,513,534	16,531,463	(5,982,071)
Deferred Inflows of Resources			
Property Taxes	9,674,316	8,353,945	(1,320,371)
Pension	1,984,358	7,368,359	5,384,001
OPEB	2,079,567	1,941,969	(137,598)
Total Deferred Inflows of Resources	13,738,241	17,664,273	3,926,032
Net Position			
Net Investment in Capital Assets	8,450,648	7,093,658	1,356,990
Restricted for:			
Capital Projects	738,071	454,775	283,296
Debt Service	2,103,693	1,952,386	151,307
OPEB Plans	298,844	78,955	219,889
Honors Programs:			
Nonexpendable	13,962	9,104	4,858
Other Purposes	731,570	573,103	158,467
Unrestricted (Deficit)	(13,110,477)	(14,189,535)	1,079,058
Total Net Position	($773,689)	($4,027,554)	$3,253,865

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

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

By comparing assets, deferred outflows of resources, liabilities, and deferred inflows of resources, one can see the overall position of the School District has improved as evidenced by the increase in net position. Changes in the net investment in capital assets and unrestricted net position were the main contributors to the change in net position.

Current assets increased mainly due to increases in cash and cash equivalents, intergovernmental receivables, and property tax receivables. The increase in cash and cash equivalents is due to the increase in the receipt of federal grants as well as the decrease in expenditures. The increase in intergovernmental receivables can be attributed to an increase in federal grants carrying into the new fiscal year compared to the prior year. The increase in the net OPEB asset represents the School District's proportionate share of the funded benefits. The increase in capital assets was due to current year additions offset by an additional year of depreciation being charged.

The School District had an increase in total liabilities which can be attributed primarily to an increase in the net pension liability. The net pension liability increase represents the School District's proportionate share of the unfunded benefits. As indicated previously, changes in pension benefits, assumptions, contribution rates, and return on investments affect the balance of the net pension and net OPEB liabilities. The effect of these changes is amortized over time with the amounts that still needing to be amortized reported as deferred outflows and inflows related to pension and OPEB.

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

Table 2
Change in Net Position
Governmental Activities

	2023	2022	Change
Revenues			
Program Revenues			
Charges for Services and Sales	$784,096	$821,581	($37,485)
Operating Grants, Interest and Contributions	5,155,189	4,028,002	1,127,187
Capital Grants	17,512	17,742	(230)
Total Program Revenues	5,956,797	4,867,325	1,089,472
General Revenues			
Property Taxes	8,589,821	7,650,636	939,185
Grants and Entitlements	5,650,199	5,770,331	(120,132)
Investment Earnings/Interest	78,381	1,720	76,661
Miscellaneous	174,700	73,238	101,462
Total General Revenues	14,493,101	13,495,925	997,176
Total Revenues	$20,449,898	$18,363,250	$2,086,648

(continued)

Table 2
Change in Net Position (continued)
Governmental Activities

	2023	2022	Change
Program Expenses			
Instruction:			
Regular	$8,397,060	$7,513,781	($883,279)
Special	2,178,278	2,456,205	277,927
Support Services:			
Pupils	871,006	732,686	(138,320)
Instructional Staff	355,257	320,874	(34,383)
Board of Education	19,709	18,637	(1,072)
Administration	1,583,419	1,264,445	(318,974)
Fiscal	471,411	451,942	(19,469)
Operation and Maintenance of Plant	1,186,060	1,171,556	(14,504)
Pupil Transportation	804,401	653,612	(150,789)
Central	129,551	0	(129,551)
Operation of Non-Instructional Services	30,713	26,304	(4,409)
Operation of Food Service	523,295	561,900	38,605
Extracurricular Activities	439,552	373,720	(65,832)
Interest	206,321	206,406	85
Total Program Expenses	17,196,033	15,752,068	(1,443,965)
Change in Net Position	3,253,865	2,611,182	642,683
Net Position Beginning of Year	(4,027,554)	(6,638,736)	2,611,182
Net Position End of Year	($773,689)	($4,027,554)	$3,253,865

The School District relies heavily upon property taxes and the State School Foundation Program to support its operations. The School District also actively solicits and receives additional grant and entitlement funds to help offset operating costs. The increase in operating grants is due to several additional grants during this fiscal year compared to the prior year. One of the largest grants received was the Elementary and Secondary School Emergency Relief grants. There was an increase in property tax collections when compared to the prior year due to an increase in assessed values. The decrease in charges for services and sales can be attributed to the drop in tuition and fees revenue in fiscal year 2023.

Instructional expenses compose the largest portion of all program expenses for the School District. These expenses pay for teacher salaries and benefits, which increase at set levels every year based on negotiated agreements. For fiscal year 2023, School District employees received a 2.5 percent raise as well as step increases. Health care costs increased 12.00 percent as well. Overall, total governmental expenses increased due to the significant increase in the pension expense related to the change in assumptions and benefit terms related pension.

The *statement of activities* shows the cost of program services and charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services for fiscal year 2023 compared to 2022.

Table 3
Total and Net Cost of Program Services
Governmental Activities

	2023		2022	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	$10,575,338	$7,855,202	$9,969,986	$7,516,975
Support Services:				
Pupils and Instructional Staff	1,226,263	595,894	1,053,560	873,600
Board of Education, Administration, and Fiscal	2,074,539	1,885,374	1,735,024	1,653,647
Operation and Maintenance of Plant	1,186,060	(41,408)	1,171,556	460,983
Pupil Transportation	804,401	502,691	653,612	365,789
Central	129,551	129,551	0	0
Operation of Non-Instructional Services	30,713	6,900	26,304	8,858
Operation of Food Service	523,295	(222,700)	561,900	(479,761)
Extracurricular Activities	439,552	321,411	373,720	278,246
Interest	206,321	206,321	206,406	206,406
Total	$17,196,033	$11,239,236	$15,752,068	$10,884,743

The dependence upon general revenues for governmental activities is apparent from Table 3. The majority of instructional activities are supported through taxes and other general revenues.

Financial Analysis of the Government's Funds

Governmental Funds Information about the School District's major funds begins with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of $20,266,074 and expenditures of $19,177,291. The general fund had an increase in fund balance even while both revenues and expenditures increased. The property tax revenue increase can be attributed to the rise in assessed values as well as intergovernmental revenue increases. The School District continued to utilize grants such as the ESSER grants to reduce general fund expenditures for the fiscal year. The bond retirement fund had an increase in fund balance mainly due to an increase in investment revenue compared to the prior year. The ESSER fund had a decrease in fund balance due to the timing of when grant revenue is received to cover expenditures. The permanent improvement fund had an increase in fund balance compared to the prior year to due to transfers provided by the general fund. Other governmental funds had an increase in fund balance due to an increase in grant revenue compared to the prior year as well as increases in instructional and capital outlay.

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 fund to be budgeted is the main operating fund of the School District, the general fund. During the course of fiscal year 2023, the School District amended its general fund budget numerous times. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, the final budget basis revenue estimate was higher than the original budget estimate. The difference can be attributed to an increase in property taxes and interest revenues. These revenue line items fluctuate year to year and are budgeted on a conservative basis to avoid revenue overestimations. Actual revenue was in line with final budget basis revenue. The final budget appropriations was higher than the original budget appropriations of the general fund. The change was attributed to a decrease in regular instruction and administration support services. The School District's actual expenditures were in line with the final budgeted appropriations.

Capital Assets and Long-Term Liabilities

Capital Assets

Table 4 shows fiscal year 2023 values compared to fiscal year 2022.

Table 4
Capital Assets at June 30
Governmental Activities

	2023	2022
Land	$349,160	$349,160
Construction in Progress	1,000,001	0
Land Improvements	497,207	570,270
Buildings and Improvements	6,248,095	6,187,216
Furniture and Fixtures	1,291,875	1,355,574
Vehicles	755,323	458,103
Intangible Right to Use - Equipment	102,204	0
Total Capital Assets	$10,243,865	$8,920,323

The increase in capital assets was due to additions in equipment, vehicles that included four new buses as well as building improvements which was partly offset by an additional year of depreciation during fiscal year 2023. For more information about the School District's capital assets, see Note 10 to the basic financial statements.

Long-Term Liabilities

Table 5 summarizes the School District's outstanding long-term obligations.

Table 5
Outstanding Long-Term Obligations at June 30
Governmental Activities

	2023	2022
2019 Energy Savings Project Note	$1,258,908	$1,343,202
2019 Turf Athletic Field Note	422,994	483,463
2011 Energy Conservation Improvement Bonds	2,327,350	2,327,350
Net Pension Liability	13,687,878	8,517,287
Net OPEB Liability	704,913	1,052,585
Asset Retirement Obligation	13,250	13,250
Lease Payable	111,315	0
Total	$18,526,608	$13,737,137

During fiscal year 2019, the School District issued long-term notes for an energy savings project and for a turf athletic field. The 2011 energy conservation improvement bonds were issued to provide for energy improvements to various School District buildings.

The School District's overall legal debt margin was $22,293,488 with an unvoted debt margin of $249,927. For more information about the School District's long-term obligations, see Note 11 to the basic financial statements for additional information.

School District Outlook

The Board of Education and administration closely monitor revenues and expenditures in accordance with its financial forecast. The financial future of the School District will continue to face challenges. These challenges stem from issues that are at both the local and State levels. The local challenges will continue to exist, as the School District must rely heavily on property taxes to fund its operations.

Due to the unsettled issues in school funding, management is required to plan carefully and prudently to provide the resources to meet student needs over the next several years.

In conclusion, all of the School District's financial abilities will be needed to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Maureen Lloyd, Treasurer, Liberty Local School District, 4115 Shady Road, Youngstown, Ohio 44505-1395.

Basic Financial Statements

Liberty Local School District

Statement of Net Position

June 30, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$5,912,804
Cash and Cash Equivalents with Fiscal Agents	2,123,427
Accounts Receivable	46,557
Intergovernmental Receivable	1,323,565
Prepaid Items	21,976
Inventory Held for Resale	9,270
Materials and Supplies Inventory	7,520
Property Taxes Receivable	10,998,457
Net OPEB Asset (See Note 17)	1,287,186
Nondepreciable Capital Assets	1,349,161
Depreciable Capital Assets, Net	8,894,704
Total Assets	31,974,627
Deferred Outflows of Resources	
Pension	3,185,447
OPEB	318,012
Total Deferred Outflows of Resources	3,503,459
Liabilities	
Accounts Payable	1,063,074
Accrued Wages and Benefits	1,218,222
Intergovernmental Payable	287,504
Accrued Interest Payable	23,697
Unearned Revenue	300,000
Long-Term Liabilities:	
Due Within One Year	259,242
Due in More Than One Year:	
Net Pension Liability (See Note 16)	13,687,878
Net OPEB Liability (See Note 17)	704,913
Other Amounts	4,969,004
Total Liabilities	22,513,534
Deferred Inflows of Resources	
Property Taxes	9,674,316
Pension	1,984,358
OPEB	2,079,567
Total Deferred Inflows of Resources	13,738,241
Net Position	
Net Investment in Capital Assets	8,450,648
Restricted for:	
Capital Projects	738,071
Debt Service	2,103,693
Unclaimed Monies	60,768
Food Services	606,159
Student Activities	35,954
Athletics	13,856
OPEB Plans	298,844
Honors Programs:	
Nonexpendable	13,962
Other Purposes	14,833
Unrestricted (Deficit)	(13,110,477)
Total Net Position	($773,689)

See accompanying notes to the basic financial statements

Liberty Local School District

Statement of Activities
For the Fiscal Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Interest and Contributions	Capital Grants	Governmental Activities
Governmental Activities					
Instruction:					
Regular	$8,397,060	$243,039	$1,523,861	$0	($6,630,160)
Special	2,178,278	65,827	887,409	0	(1,225,042)
Support Services:					
Pupils	871,006	0	428,269	0	(442,737)
Instructional Staff	355,257	0	202,100	0	(153,157)
Board of Education	19,709	0	0	0	(19,709)
Administration	1,583,419	47,833	141,332	0	(1,394,254)
Fiscal	471,411	0	0	0	(471,411)
Operation and Maintenance of Plant	1,186,060	227,953	982,003	17,512	41,408
Pupil Transportation	804,401	0	301,710	0	(502,691)
Central	129,551	0	0	0	(129,551)
Operation of Non-Instructional Services	30,713	0	23,813	0	(6,900)
Operation of Food Service	523,295	92,757	653,238	0	222,700
Extracurricular Activities	439,552	106,687	11,454	0	(321,411)
Interest	206,321	0	0	0	(206,321)
Totals	$17,196,033	$784,096	$5,155,189	$17,512	(11,239,236)

General Revenues	
Property Taxes Levied for:	
General Purposes	8,441,380
Capital Outlay	148,441
Grants and Entitlements not Restricted to Specific Programs	5,650,199
Investment Earnings/Interest	78,381
Miscellaneous	174,700
Total General Revenues	14,493,101
Change in Net Position	3,253,865
Net Position Beginning of Year	(4,027,554)
Net Position End of Year	($773,689)

See accompanying notes to the basic financial statements

Liberty Local School District
Balance Sheet
Governmental Funds
June 30, 2023

	General	Bond Retirement	Permanent Improvement	Elementary and Secondary School Emergency Relief	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	$4,051,964	$3,963	$706,016	$0	$1,090,093	$5,852,036
Cash and Cash Equivalents with Fiscal Agents	0	2,123,427	0	0	0	2,123,427
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	60,768	0	0	0	0	60,768
Accounts Receivable	44,401	0	0	0	2,156	46,557
Intergovernmental Receivable	124,159	0	0	1,124,201	75,205	1,323,565
Interfund Receivable	49,862	0	0	0	0	49,862
Prepaid Items	21,976	0	0	0	0	21,976
Inventory Held for Resale	0	0	0	0	9,270	9,270
Materials and Supplies Inventory	5,278	0	0	0	2,242	7,520
Property Taxes Receivable	9,514,714	0	1,483,743	0	0	10,998,457
Total Assets	$13,873,122	$2,127,390	$2,189,759	$1,124,201	$1,178,966	$20,493,438
Liabilities						
Accounts Payable	$33,720	$0	$0	$1,000,001	$29,353	$1,063,074
Accrued Wages and Benefits	1,045,505	0	0	60,552	112,165	1,218,222
Interfund Payable	0	0	0	43,761	6,101	49,862
Intergovernmental Payable	249,095	0	0	19,887	18,522	287,504
Unearned Revenue	0	0	0	0	300,000	300,000
Total Liabilities	1,328,320	0	0	1,124,201	466,141	2,918,662
Deferred Inflows of Resources						
Property Taxes	8,213,989	0	1,460,327	0	0	9,674,316
Unavailable Revenue	1,290,514	0	21,668	226,550	13,603	1,552,335
Total Deferred Inflows of Resources	9,504,503	0	1,481,995	226,550	13,603	11,226,651
Fund Balances						
Nonspendable	88,022	0	0	0	16,204	104,226
Restricted	0	2,127,390	707,764	0	705,247	3,540,401
Assigned	92,283	0	0	0	0	92,283
Unassigned (Deficit)	2,859,994	0	0	(226,550)	(22,229)	2,611,215
Total Fund Balances	3,040,299	2,127,390	707,764	(226,550)	699,222	6,348,125
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$13,873,122	$2,127,390	$2,189,759	$1,124,201	$1,178,966	$20,493,438

See accompanying notes to the basic financial statements

Liberty Local School District

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2023

Total Governmental Fund Balances		$6,348,125
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		10,243,865
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable in the funds:		
Delinquent Property Taxes	1,225,274	
Intergovernmental	240,153	
Tuition and Fees	86,908	
Total		1,552,335
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(23,697)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Long-Term Notes	(1,681,902)	
General Obligation Bonds	(2,327,350)	
Lease	(111,315)	
Compensated Absences	(1,094,429)	
Asset Retirement Obligation	(13,250)	
Total		(5,228,246)
The net OPEB asset and net pension/OPEB liabilities are not due and payable in the current period; therefore, the asset, liabilities and related deferred outflows/inflows are not reported in the funds:		
Net OPEB Asset	1,287,186	
Deferred Outflows - Pension	3,185,447	
Deferred Outflows - OPEB	318,012	
Net Pension Liability	(13,687,878)	
Net OPEB Liability	(704,913)	
Deferred Inflows - Pension	(1,984,358)	
Deferred Inflows - OPEB	(2,079,567)	
Total		(13,666,071)
Net Position of Governmental Activities		($773,689)

See accompanying notes to the basic financial statements

Liberty Local School District

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

	General	Bond Retirement	Permanent Improvement	Elementary and Secondary School Emergency Relief	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	$8,346,862	$0	$146,375	$0	$0	$8,493,237
Intergovernmental	6,125,624	116,335	17,512	1,775,181	2,614,901	10,649,553
Investment Earnings/Interest	15,408	62,830	0	0	1,448	79,686
Tuition and Fees	405,190	0	0	0	0	405,190
Extracurricular Activities	0	0	0	0	106,774	106,774
Contributions and Donations	21,904	0	0	0	9,694	31,598
Charges for Services	0	0	0	0	92,757	92,757
Rentals	227,953	0	0	0	0	227,953
Miscellaneous	174,971	0	0	0	4,355	179,326
Total Revenues	15,317,912	179,165	163,887	1,775,181	2,829,929	20,266,074
Expenditures						
Current:						
Instruction:						
Regular	6,706,430	0	20,641	421,618	922,569	8,071,258
Special	1,820,401	0	0	5,500	374,954	2,200,855
Support Services:						
Pupils	706,286	0	0	48,000	102,524	856,810
Instructional Staff	181,235	0	0	80,567	87,652	349,454
Board of Education	19,709	0	0	0	0	19,709
Administration	1,549,543	0	0	78,993	13,377	1,641,913
Fiscal	527,825	0	0	0	0	527,825
Operation and Maintenance of Plant	1,019,221	0	129,231	284,419	15,000	1,447,871
Pupil Transportation	910,502	0	0	66,576	183,899	1,160,977
Central	104,000	0	0	0	0	104,000
Operation of Non-Instructional Services	6,780	0	0	0	23,933	30,713
Operation of Food Service	0	0	0	0	568,578	568,578
Extracurricular Activities	276,313	0	0	5,625	158,711	440,649
Capital Outlay	127,755	0	0	1,000,001	260,168	1,387,924
Debt Service:						
Principal Retirement	161,203	0	0	0	0	161,203
Interest	80,678	126,874	0	0	0	207,552
Total Expenditures	14,197,881	126,874	149,872	1,991,299	2,711,365	19,177,291
Excess of Revenues Over Expenditures	1,120,031	52,291	14,015	(216,118)	118,564	1,088,783
Other Financing Sources (Uses)						
Inception of Lease	127,755	0	0	0	0	127,755
Transfers In	0	165,000	267,215	0	47,494	479,709
Transfers Out	(412,494)	(67,215)	0	0	0	(479,709)
Total Other Financing Sources (Uses)	(284,739)	97,785	267,215	0	47,494	127,755
Net Change in Fund Balances	835,292	150,076	281,230	(216,118)	166,058	1,216,538
Fund Balances Beginning of Year	2,205,007	1,977,314	426,534	(10,432)	533,164	5,131,587
Fund Balances End of Year	$3,040,299	$2,127,390	$707,764	($226,550)	$699,222	$6,348,125

See accompanying notes to the basic financial statements

Liberty Local School District

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

Net Change in Fund Balances - Total Governmental Funds		$1,216,538
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:		
Capital Asset Additions	1,923,453	
Current Year Depreciation	(599,911)	
Total		1,323,542
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Delinquent Property Taxes	96,584	
Intergovernmental	140,444	
Tuition and Fees	(48,491)	
Extracurricular Activities	(87)	
Miscellaneous	(4,626)	
Total		183,824
Repayment of bond and lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		161,203
Other financing sources in the governmental funds, such as inception of lease, increase long-term liabilities in the statement of net position.		(127,755)
Some expenses reported in the statement of activities, such as accrued interest, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		1,231
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		66,480
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	1,193,034	
OPEB	37,251	
Total		1,230,285
Except for amounts reported as deferred outflows/inflows, changes in the net pension/OPEB asset or liability are reported as pension/OPEB expense in the statement of activities:		
Pension	(1,095,521)	
OPEB	294,038	
Total		(801,483)
Change in Net Position of Governmental Activities		$3,253,865

See accompanying notes to the basic financial statements

Liberty Local 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

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Property Taxes	$8,048,493	$8,277,300	$8,277,300	$0
Intergovernmental	6,060,246	6,090,372	6,090,372	0
Interest	935	13,843	13,843	0
Tuition and Fees	410,908	357,482	357,482	0
Contributions and Donations	42,007	10,904	10,904	0
Rentals	252,199	232,578	232,578	0
Miscellaneous	99,023	131,653	131,653	0
Total Revenues	14,913,811	15,114,132	15,114,132	0
Expenditures				
Current:				
Instruction:				
Regular	6,562,967	6,691,926	6,691,926	0
Special	2,128,829	1,874,530	1,874,530	0
Support Services:				
Pupils	714,973	721,104	721,104	0
Instructional Staff	185,429	187,066	187,066	0
Board of Education	19,908	19,627	19,627	0
Administration	1,348,769	1,553,876	1,553,876	0
Fiscal	543,393	548,798	548,798	0
Operation and Maintenance of Plant	1,081,969	1,045,716	1,045,716	0
Pupil Transportation	860,872	895,570	895,570	0
Central	104,000	104,000	104,000	0
Operation of Non-Instructional Services	9,322	6,780	6,780	0
Extracurricular Activities	251,197	280,685	280,685	0
Capital Outlay	15,322	0	0	0
Debt Service:				
Principal	138,878	144,763	144,763	0
Interest	80,236	74,351	74,351	0
Total Expenditures	14,046,064	14,148,792	14,148,792	0
Excess of Revenues Over Expenditures	867,747	965,340	965,340	0
Other Financing Sources (Uses)				
Advances In	31,460	63,857	63,857	0
Advances Out	(23,557)	(99,045)	(99,045)	0
Transfers Out	(395,000)	(412,494)	(412,494)	0
Total Other Financing Sources (Uses)	(387,097)	(447,682)	(447,682)	0
Net Change in Fund Balance	480,650	517,658	517,658	0
Fund Balance Beginning of Year	3,429,825	3,429,825	3,429,825	0
Prior Year Encumbrances Appropriated	5,028	5,028	5,028	0
Fund Balance End of Year	$3,915,503	$3,952,511	$3,952,511	$0

See accompanying notes to the basic financial statements

Liberty Local School District

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

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$3,587,726	$2,285,910	$903,635	($1,382,275)
Expenditures				
Current:				
Instruction:				
Regular	284,925	428,489	428,489	0
Special	15,000	5,500	5,500	0
Support Services:				
Pupils	45,879	48,000	48,000	0
Instructional Staff	95,955	80,567	80,567	0
Administration	52,723	77,647	77,647	0
Operation and Maintenance of Plant	2,138,385	301,040	301,040	0
Pupil Transportation	129,588	61,833	61,833	0
Extracurricular Activities	0	5,625	5,625	0
Capital Outlay	0	1,322,100	1,322,100	0
Total Expenditures	2,762,455	2,330,801	2,330,801	0
Excess of Revenues Over Expenditures	825,271	(44,891)	(1,427,166)	(1,382,275)
Other Financing Sources (Uses)				
Advances In	43,761	43,761	43,761	0
Net Change in Fund Balance	869,032	(1,130)	(1,383,405)	(1,382,275)
Fund Balance Beginning of Year	1,130	1,130	1,130	0
Fund Balance End of Year	$870,162	$0	($1,382,275)	($1,382,275)

See accompanying notes to the basic financial statements

Note 1 – Description of the School District and Reporting Entity

Liberty Local School District (the School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District is located in Northeast Ohio, in Trumbull County, in the greater metropolitan Youngstown area.

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by State and Federal agencies. The Board of Education controls the School District's elementary school and middle/high school staffed by 62 non-certified personnel, 94 certificated personnel, and 12 administrators, who provide services to 1,644 students and other community members.

Reporting Entity

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

> *Non-public Schools* Within the School District boundaries, there are various non-public schools. Current State legislature provides funding to these non-public schools. These monies are received and disbursed on behalf of the non-public school by the Treasurer of the School District, as directed by the non-public school. These transactions are reported in a special revenue fund and as a governmental activity of the School District.

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

The School District is associated with two jointly governed organizations. These organizations are the Northeast Ohio Management Information Network and the Trumbull Career and Technical Center. These organizations are presented in Note 14 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, has no business-type activities.

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

Fund Financial Statements During the 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.

Fund Accounting

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

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

> ***General Fund*** The general fund is the operating fund of the School District and is used to account for and report all financial resources except those required to be accounted for and reported 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.

Bond Retirement Fund The bond retirement fund accounts for and reports the accumulation of property tax revenues restricted for the payment of principal and interest and fiscal charges on general obligation debt.

Permanent Improvement Fund The permanent improvement capital projects fund accounts for and reports property taxes restricted for various capital improvements within the School District.

Elementary and Secondary School Emergency Relief Special Revenue Fund The elementary and secondary school emergency relief fund (ESSER) accounts for and reports restricted federal grant monies received in response for Coronavirus relief.

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

Measurement Focus

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

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

Basis of Accounting

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which the taxes are levied (see Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the 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, investment earnings/interest, tuition, grants, fees and rentals.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 16 and 17.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB plans and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental revenues and tuition and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities found on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 16 and 17).

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.

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.

Cash and Cash Equivalents

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

During fiscal year 2023, investments were limited to money market mutual funds and STAR Ohio. Investments are reported at fair value which is based on quoted market prices.

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 its 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.

The School District utilizes a financial institution to set aside the mandatory sinking fund payments required for the energy conservation improvement qualified school construction bonds. The balances in these accounts are presented as "cash and cash equivalents with fiscal agent."

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Investment Earnings/Interest revenue credited to the general fund during fiscal year 2023 amounted to $15,408, of which $6,782 is 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 as cash equivalents.

Prepaids

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaids using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and reflecting the expenditure/expense in the year in which the 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 and donated and purchased food held for resale.

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the general fund represent money set aside as unclaimed monies.

Capital Assets

The School District's only capital assets are general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets (except for intangible right to use lease assets which are discussed below) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their acquisition values as of the date received. The 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 reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Land Improvements	20 years
Building and Improvements	20 - 50 years
Furniture and Fixtures	5 - 20 years
Vehicles	8 years
Intangible Right to Use - Equipment	5 years

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

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 all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees with ten years of service at any age within the School District.

Leases Payable

The School District serves as lessee in a noncancellable lease which are accounted for as follows:

Lessee At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds; however, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Long-term notes, bonds, and leases are recognized as a liability on the fund financial statements when due. Net pension/OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plans' fiduciary net position is not sufficient for payment of those benefits.

Internal Activity

Transfers between governmental funds are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for 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 the governmental funds. The classifications are as follows:

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

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

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

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

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.

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 their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net position for OPEB plans represent the corresponding restricted asset amounts after considering the related deferred outflows and deferred inflows. Net position restricted for other purposes include resources restricted for scholarships, auxiliary services, and student safety.

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

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the statement of net position.

Unearned Revenue

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 eligibility requirements are met.

Estimates

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

Budgetary Data

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate when the original and final appropriations were passed by the Board of Education. Prior to June 30, the Board requested and received an amended certificate in which estimated revenue matched actual revenue for the fiscal year.

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 fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year. Prior to year end the Board of Education adopted appropriations which matched actual expenditures plus encumbrances.

Note 3 – Fund Balances

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

Fund Balances	General	Bond Retirement	Permanent Improvement	Elementary and Secondary School Emergency Relief	Other Governmental Funds	Total
Nonspendable:						
Inventory	$5,278	$0	$0	$0	$2,242	$7,520
Honors Program	0	0	0	0	13,962	13,962
Unclaimed Monies	60,768	0	0	0	0	60,768
Prepaids	21,976	0	0	0	0	21,976
Total Nonspendable	88,022	0	0	0	16,204	104,226
Restricted for:						
Capital Projects	0	0	707,764	0	8,639	716,403
Debt Service	0	2,127,390	0	0	0	2,127,390
Food Service	0	0	0	0	631,965	631,965
Auxiliary Services	0	0	0	0	5,043	5,043
Other Purposes:						
Student Activities	0	0	0	0	35,954	35,954
Athletics	0	0	0	0	13,856	13,856
Student Programs	0	0	0	0	9,790	9,790
Total Restricted	$0	$2,127,390	$707,764	$0	$705,247	$3,540,401

Fund Balances	General	Bond Retirement	Permanent Improvement	Elementary and Secondary School Emergency Relief	Other Governmental Funds	Total
Assigned to:						
Purchases on Order:						
Administration	$15,264	$0	$0	$0	$0	$15,264
Special Trust	42,262	0	0	0	0	42,262
Public School Support	34,757	0	0	0	0	34,757
Total Assigned	92,283	0	0	0	0	92,283
Unassigned (Deficit)	2,859,994	0	0	(226,550)	(22,229)	2,611,215
Total Fund Balances	$3,040,299	$2,127,390	$707,764	($226,550)	$699,222	$6,348,125

Note 4 – Accountability

Fund balances at June 30, 2023, included individual fund deficit as follows:

	Deficit
Elementary and Secondary School Emergency Relief	$226,550
Other Governmental Funds:	
Special Revenue:	
Other Grant	1,292
Early Childhood Education Grant	7,334
Title I	13,603
	$248,779

These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the General Fund needed for operations until the receipt of grant monies. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 5 – 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 balance – budget (non-GAAP basis) and actual for the 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 as follows:

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

2. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statement. These amounts are included as revenue on the GAAP basis operating statement.

3. Budgetary revenues and expenditures of the special trust and public school support fund are classified to the general fund for GAAP Reporting.

4. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

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

6. Encumbrances are treated as expenditures (budget) rather than restricted, committed, or assigned fund balance (GAAP).

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

Net Change in Fund Balance

	General	ESSER
GAAP Basis	$835,292	($216,118)
Net Adjustment for Revenue Accruals	(271,208)	(871,546)
Advances In	63,857	43,761
Beginning Unrecorded Cash	239	0
Ending Unrecorded Cash	(1,804)	0
Perspective Difference:		
Special Trust	(8,500)	0
Public School Support	(25,688)	0
Net Adjustment for Expenditure Accruals	45,196	1,042,773
Advances Out	(99,045)	0
Encumbrances	(20,681)	(1,382,275)
Budget Basis	$517,658	($1,383,405)

Note 6 – Deposits and Investments

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

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

Based on criteria described in GASB Statement No. 40, Deposits and Investments Risk Disclosures, as of June 30, 2023, $750,000 of the School District's bank balance of $6,133,909 was covered by Federal Depository Insurance and $2,731,712 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name, and $2,652,197 was 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 had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Fair Value - Level One Inputs				
Money Market Mutual Fund	$2,123,427	1 Day	AAAm	99.58 %
Net Asset Value Per Share:				
STAR Ohio	8,851	38.5 Days	AAAm	N/A
Total Investments	$2,132,278			

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The preceding chart identifies the School District's recurring fair value measurements as of June 30, 2023. The money market mutual funds are measured at fair value using quoted market prices (Level 1 inputs).

Credit Risk 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.

Interest Rate Risk The School District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date 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.

Note 7 – Property Taxes

Property taxes are levied and assessed on a calendar year basis, while the School District's fiscal year runs from July through June. First-half tax distributions are received by the School District in the second half of the fiscal year. Second-half tax distributions are received 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 revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed values as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien on 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 is currently assessed at varying percentages of true value.

The School District receives property taxes from Trumbull County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2024 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 are measurable as of June 30, 2023, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations are 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. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The amount available as an advance at June 30, 2023, was $97,119 in the general, and $1,748 in the permanent improvement fund. The amount available as an advance at June 30, 2022, was $27,557 in the general, and $487 in the permanent improvement fund.

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

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	$236,853,300	95.67%	$238,709,420	95.51%
Public Utility Personal	10,708,870	4.33	11,217,780	4.49
Total	$247,562,170	100.00%	$249,927,200	100.00%
Full Tax Rate per $1,000 of assessed valuation	$47.10		$47.05	

Note 8 – Tax Abatements

School District property taxes were reduced as follows under community reinvestment area agreements entered into by overlapping governments:

Overlapping Government	Amount of Fiscal Year 2023 Taxes Abated
Community Reinvestment Areas:	
Liberty Township	$71,589

Note 9 – Receivables

Receivables at June 30, 2023, consisted of accounts (student fees, charges for services, rent and miscellaneous), tuition and intergovernmental grants, and property taxes. 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. All receivables except property taxes are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Intergovernmental Receivables	Amounts
Elementary and Secondary School Emergency Relief	$1,124,201
School Foundation FY 2024 Adjustment	88,670
Title I Grant	55,838
State Employee Retirement System	19,526
Federal Lunch Grant	10,780
Trumbull County Education Service Center	10,224
Preschool Special Education	6,048
Warren City School District	5,375
Title IV-A Grant	1,379
School Based Health Grant	1,133
Medicaid	364
Title V-B Grant	27
Total	$1,323,565

Note 10 – Capital Assets

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

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Governmental Activities				
Nondepreciable Capital Assets				
Land	$349,160	$0	$0	$349,160
Construction in Progress	0	1,000,001	0	1,000,001
Total Nondepreciable Capital Assets	349,160	1,000,001	0	1,349,161
Depreciable Capital Assets				
Land Improvements	2,085,804	0	0	2,085,804
Buildings and Improvements	17,072,406	358,855	0	17,431,261
Furniture and Fixtures	5,976,806	46,046	(167,904)	5,854,948
Vehicles	1,107,437	390,796	0	1,498,233
Intangible Right to Use - Equipment**	0	127,755	0	127,755
Total Depreciable Capital Assets	26,242,453	923,452	(167,904)	26,998,001
Less: Accumulated Depreciation/Amortization				
Land Improvements	(1,515,534)	(73,063)	0	(1,588,597)
Buildings and Improvements	(10,885,190)	(297,976)	0	(11,183,166)
Furniture and Fixtures	(4,621,232)	(109,745)	167,904	(4,563,073)
Vehicles	(649,334)	(93,576)	0	(742,910)
Intangible Right to Use - Equipment**	0	(25,551)	0	(25,551)
Total Accumulated Depreciation/Amortization	(17,671,290)	(599,911) *	167,904	(18,103,297)
Depreciable Capital Assets, Net of Accumulated Depreciation	8,571,163	323,541	0	8,894,704
Governmental Activities Capital Assets, Net	$8,920,323	$1,323,542	$0	$10,243,865

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

Instruction:	
Regular	$467,028
Support Services:	
Instructional Staff	6,747
Operation and Maintenance of Plant	3,110
Pupil Transportation	92,441
Central	25,551
Operation of Food Service	2,071
Extracurricular Activities	2,963
Total Depreciation/Amortization Expense	$599,911

** Of the current year depreciation/amortization total of $599,911, $25,551 is presented as central support services expense on the Statement of Activities related to the School District's intangible asset of a copier machine, which is included as an Intangible Right to Use Lease.

Note 11 – Long-Term Obligations

Original issue amounts and interest rates of the School District's debt issues were as follows:

Debt Issue	Interest Rate	Original Issue	Year of Maturity
2019 Energy Savings Project Note	4.08%	$1,539,628	2034
2019 Turf Athletic Field Note	4.354%	$650,000	2029
2011 Energy Conservation Improvement Bonds:			
Term Bonds	5.43%	$2,327,350	2025

Changes in long-term obligations of the School District during fiscal year 2023 were as follows:

	Principal Outstanding June 30, 2022	Additions	Deductions	Principal Outstanding June 30, 2023	Amount Due in One Year
Governmental Activities					
Long-Term Notes from direct borrowings:					
2019 Energy Savings Project Note	$1,343,202	$0	($84,294)	$1,258,908	$87,769
2019 Turf Athletic Field Note	483,463	0	(60,469)	422,994	63,131
Total Long-Term Notes from direct borrowings	1,826,665	0	(144,763)	1,681,902	150,900
General Obligation Bonds:					
2011 Energy Conservation Improvement Bonds	2,327,350	0	0	2,327,350	0
Other Long-Term Obligations:					
Net Pension Liability:					
SERS	1,997,599	639,446	0	2,637,045	0
STRS	6,519,688	4,531,145	0	11,050,833	0
Total Net Pension Liability	8,517,287	5,170,591	0	13,687,878	0
Net OPEB Liability:					
SERS	1,052,585	0	(347,672)	704,913	0
Lease	0	127,755	(16,440)	111,315	23,303
Compensated Absences	1,160,909	70,130	(136,610)	1,094,429	85,039
Asset Retirement Obligation	13,250	0	0	13,250	0
Total Other Long-Term Obligations	10,744,031	5,368,476	(500,722)	15,611,785	108,342
Total Governmental Activities Long-Term Liabilities	$14,898,046	$5,368,476	($645,485)	$19,621,037	$259,242

On January 22, 2019, the School District issued a $1,539,628 long-term note to provide for an energy savings project. The note is a direct borrowing from the Branch Banking and Trust Company. The primary source of repayment of this obligation is through the utility cost savings. The energy savings project was capitalized. The note was issued for a 16 year period with final maturity on November 1, 2034. The note will be repaid from the general fund.

On January 22, 2019, the School District issued a $650,000 long-term note to provide for a turf athletic field. The note is a direct borrowing from the Branch Banking and Trust Company. The primary source of repayment of this obligation is through maintenance cost savings related to no longer maintaining a grass field. The note was issued for a ten year period with final maturity on April 1, 2029. The note will be repaid from the general fund.

The School District's outstanding long-term notes from direct borrowings related to governmental activities of $1,681,902 contain a provision that in the event of default, the lender may, without any further demand or notice (a) declare the unpaid principal components of the base payments immediately due and payable, (b) proceed by appropriate court action to enforce the School District's performance of the applicable covenants of the agreement or to recover the breach thereof, (c) require the lender to pay over any balance remaining in the project fund to be applied against outstanding required payments in any manner they may reasonably deem appropriate, and (d) avail itself of all available remedies under the agreement, including execution as provided in the agreement, and recovery of attorneys' fees and other expenses.

On December 14, 2010, the School District issued $2,327,350 in energy conservation improvement qualified school construction bonds to provide for energy improvements to various School District buildings. The primary source of repayment of this obligation is through energy savings as a result of the improvements. The improvements were not capitalized. The bonds were issued for a fifteen year period and are subject to mandatory sinking fund payments. The School District may elect to receive payment directly from the Secretary of the United States Treasury equal to 97 percent of the corresponding interest payable on this issue. The bonds will be repaid from the bond retirement debt service fund.

The School District has outstanding agreements to lease copiers. The future lease payments were discounted based on the interest rate implicit in the lease or using the School District's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. These leases will be paid from the general fund. A summary of the principal and interest amounts for the remaining lease is as follows:

	Leases	
Fiscal Year Ending June 30	Principal	Interest
2024	$23,303	$7,054
2025	24,987	5,369
2026	26,793	3,563
2027	28,730	1,626
2028	7,502	88
Total	$111,315	$17,700

Compensated absences will be paid from the general fund and the food service, ESSER and title I special revenue funds. The asset retirement obligations will be paid from the general fund. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the following funds: general fund and food service, other grants, auxiliary, public school preschool, ESSER, title I special revenue funds. For additional information related to the net pension liability and net OPEB liability, see Notes 16 and 17. The lease will be paid from the general fund.

The overall debt margin of the School District as of June 30, 2023, was $22,293,488 with an unvoted debt margin of $249,927. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2023, are as follows:

Fiscal Year Ending June 30	Long-Term Notes Principal	Long-Term Notes Interest
2024	$150,900	$68,214
2025	157,296	61,819
2026	163,963	55,151
2027	170,913	48,200
2028	178,159	40,955
2029-2033	661,484	110,614
2034-2035	199,187	8,182
Total	$1,681,902	$393,135

Fiscal Year Ending June 30	2011 Energy Conservation Improvement Bonds Principal	Interest	Subsidy	Sinking Fund Payment
2024	$0	$126,375	($122,185)	$155,156
2025	0	126,375	(122,185)	155,156
2026	2,327,350	63,188	(61,083)	(310,312)
Total	$2,327,350	$315,938	($305,453)	$0

Note 13 – Interfund Balances and Transfers

Interfund Balances

Interfund balances at June 30, 2023, were as follows:

Payable	Receivable General
Elementary and Secondary School Emergency Relief	$43,761
Other Governmental Funds:	
School Based Health Grant	26
Early Childhood Special Education	6,048
Title V-B	27
	$49,862

These loans were made to support programs in these special revenue funds pending the receipt of grant money that will be used to repay the loans. These loans are expected to be repaid in one year.

Interfund Transfers

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

	Transfers From		
Transfers To	General	Bond Retirement	Total
Bond Retirement	$165,000	$0	$165,000
Capital Improvement	200,000	67,215	267,215
Other Governmental Funds	47,494	0	47,494
	$412,494	$67,215	$479,709

The transfers from the general fund to the bond retirement fund were made to meet debt service requirements paid from the bond retirement fund. The transfer from the bond retirement fund to the capital improvement fund were made to move the balance from paid off debt issuances to fund future capital improvement projects. The remaining transfers were made to move unrestricted balances to support programs and projects accounted for in other funds.

Note 14 – Jointly Governed Organizations

Northeast Ohio Management Information Network (NEOMIN) NEOMIN is a jointly governed organization among thirty-one school districts in Trumbull and Ashtabula Counties. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the districts supports NEOMIN based upon a per pupil charge. The School District paid $61,303 to NEOMIN during fiscal year 2023.

The Governing board consists of ten members: The Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County participating school districts, three superintendents from Trumbull County participating school districts, and two treasurer (one from each County). The School District was not represented on the Governing Board during fiscal year 2023. The Board exercises total control over the operations of NEOMIN including budgeting, appropriating, contracting and designating management. The degree of control exercised by any participating school district is limited to its representation on the Governing Board. To obtain a copy of NEOMIN’s financial statements, write to the NEOMIN, 528 Educational Highway, Warren, Ohio 44483.

Trumbull Career and Technical Center The Trumbull Career and Technical Center (the Center) is a distinct political subdivision of the State of Ohio providing vocational needs of the students. The Center is operated under the direction of a Board consisting of one representative from each of the twenty participating school districts’ elected boards, which possesses its own budgeting and taxing authority. The Board exercises total control over the operations of the Trumbull Career and Technical Center including budgeting, appropriating, contracting and designating management. The degree of control exercised by any participating school district is limited to its representation on the Governing Board. To obtain financial information, write to the Trumbull Career and Technical Center, Cody Holecko, who serves as Treasurer, at 528 Educational Highway, Warren, Ohio 44483.

Note 15 – Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District maintains comprehensive commercial insurance coverage for real property, building contents, vehicles and general liability.

General liability insurance is maintained in the amount of $5,000,000 for each occurrence and $7,000,000 in the aggregate. The School District maintains fleet insurance in the amount of $5,000,000 for any one accident or loss. The School District maintains replacement cost insurance on buildings and contents in the amount of $71,960,078.

Settled claims have not exceeded this commercial coverage in any of the past three years. There have not been significant reductions in coverage from last year.

Employee Health Benefits

Effective January 1, 2014, the School District elected to provide employee medical/surgical, prescription drug and vision insurance through a fully funded program with the Ohio School Benefits Consortium and Medical Mutual. Effective January 1, 2016, the School District elected to provide dental through Metlife Dental. Monthly premium rates increased to the following effective 5/1/23: $2,774.06 for family coverage, $1,995.04 for employee plus spouse, $1,628.36 for employee plus children and $941.86 for single coverage. Employees pay 10 percent of the medical and dental premiums per month. Vision insurance premiums are fully paid by the School District.

Worker's Compensation

The School District pays the State Worker's Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll times the contribution rate established by Worker's Compensation for the School District. This rate is calculated based on accident history and administrative costs.

Note 16 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

The net pension 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 17 for the required OPEB disclosures.

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 $274,009 for fiscal year 2023. Of this amount $22,639 is reported as an intergovernmental payable.

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 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 $919,025 for fiscal year 2023. Of this amount $146,082 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	0.04875490%	0.04971107%	
Prior Measurement Date	0.05413970%	0.05099125%	
Change in Proportionate Share	-0.00538480%	-0.00128018%	
Proportionate Share of the Net Pension Liability	$2,637,045	$11,050,833	$13,687,878
Pension Expense	($39,764)	$1,135,285	$1,095,521

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	$106,803	$141,465	$248,268
Changes of assumptions	26,020	1,322,452	1,348,472
Net difference between projected and actual earnings on pension plan investments	0	384,545	384,545
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	0	11,128	11,128
School District contributions subsequent to the measurement date	274,009	919,025	1,193,034
Total Deferred Outflows of Resources	$406,832	$2,778,615	$3,185,447

	SERS	STRS	Total
Deferred Inflows of Resources			
Differences between expected and actual experience	$17,311	$42,273	$59,584
Changes of assumptions	0	995,427	995,427
Net difference between projected and actual earnings on pension plan investments	92,020	0	92,020
Changes in proportionate share and Difference between School District contributions and proportionate share of contributions	232,912	604,415	837,327
Total Deferred Inflows of Resources	$342,243	$1,642,115	$1,984,358

$1,193,034 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	($122,922)	($174,749)	($297,671)
2025	(107,970)	(251,038)	(359,008)
2026	(131,453)	(477,472)	(608,925)
2027	152,925	1,120,734	1,273,659
Total	($209,420)	$217,475	$8,055

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 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.

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	$3,881,603	$2,637,045	$1,588,520

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	$16,693,786	$11,050,833	$6,278,642

Note 17 – Defined Benefit OPEB plans

See note 16 for a description of the net OPEB liability (asset).

School Employees Retirement System (SERS)

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org 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 $37,251.

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 $37,251 for fiscal year 2023. Of this amount $37,251 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org 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/Asset:			
Current Measurement Date	0.05020700%	0.04971107%	
Prior Measurement Date	0.05561640%	0.05099125%	
Change in Proportionate Share	-0.00540940%	-0.00128018%	
Proportionate Share of the:			
Net OPEB Liability	$704,913	$0	$704,913
Net OPEB (Asset)	$0	($1,287,186)	($1,287,186)
OPEB Expense	($74,149)	($219,889)	($294,038)

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	$5,926	$18,659	$24,585
Changes of assumptions	112,125	54,829	166,954
Net difference between projected and actual earnings on OPEB plan investments	3,664	22,407	26,071
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	39,746	23,405	63,151
School District contributions subsequent to the measurement date	37,251	0	37,251
Total Deferred Outflows of Resources	$198,712	$119,300	$318,012

	SERS	STRS	Total
Deferred Inflows of Resources			
Differences between expected and actual experience	$450,913	$193,311	$644,224
Changes of assumptions	289,371	912,738	1,202,109
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	231,641	1,593	233,234
Total Deferred Inflows of Resources	$971,925	$1,107,642	$2,079,567

$37,251 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase to the net OPEB asset in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	($167,768)	($283,154)	($450,922)
2025	(165,464)	(282,213)	(447,677)
2026	(156,268)	(137,956)	(294,224)
2027	(116,320)	(57,691)	(174,011)
2028	(80,089)	(75,254)	(155,343)
Thereafter	(124,555)	(152,074)	(276,629)
Total	($810,464)	($988,342)	($1,798,806)

Actuarial Assumptions - SERS

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

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

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

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

	June 30, 2022
Inflation	2.40 percent
Future Salary Increases, including inflation	
Wage Increases	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Fiduciary Net Position is Projected to be Depleted	2044

	June 30, 2022
Municipal Bond Index Rate:	
Measurement Date	3.69 percent
Prior Measurement Date	1.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	4.08 percent
Prior Measurement Date	2.27 percent
Health Care Cost Trend Rate	
Medicare	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent
Medical Trend Assumption	7.00 to 4.40 percent

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

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

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 16.

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

Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69 percent at June 30, 2022 and 1.92 percent at June 30, 2021.

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

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
School District's proportionate share of the net OPEB liability	$875,511	$704,913	$567,192

	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	$543,613	$704,913	$915,593

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
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017
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 16.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB (asset)	($1,189,969)	($1,287,186)	($1,370,459)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB (asset)	($1,335,124)	($1,287,186)	($1,226,674)

Note 18 – 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 five to twenty-eight days of vacation per year, depending upon length of service and seniority. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation.

Each employee earns sick leave at the rate of one and one-fourth days per month. Upon retirement for both certified and classified employees, payment is made for twenty-five percent of the total sick leave accumulation up to a maximum of 65 days for employees with less than 300 total accumulated sick days; payment is made for one hundred days for employees with 300 or more total accumulated sick days. An employee receiving such payment must meet the retirement provisions set by STRS and SERS.

Life Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance in the amount of $75,000 to certified and classified employees and 2 times their salary for principals, treasurer and superintendent receive 2 times their salary plus pick up.

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

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, all ODE adjustments for fiscal year 2023 have been finalized.

Litigation

The School District is a party to legal proceedings. The School District management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the School District and that the School District has adequate liability insurance coverage to protect itself against any material loss.

Note 20 – Set-Asides

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

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

	Capital Improvements
Set-Aside Balance as of June 30, 2022	$0
Current Year Set-Aside Requirement	284,408
Current Year Offsets	(162,624)
Qualifying Disbursements	(177,060)
Total	($55,276)
Set-Aside Balance Carried Forward to Future Fiscal Years	$0
Set-Aside Balance as of June 30, 2023	$0

Although the School District had qualifying disbursements and offsets during the fiscal year that reduced the capital acquisition set-aside amounts below zero, these extra amounts will not be used to reduce the set-aside requirements of future years. The negative amounts will not be presented as being carried forward to the next fiscal year.

Note 21 – 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	$20,681
Elementary and Secondary School Emergency Relief	1,382,275
Other Governmental Funds	39,155
Total	$1,442,111

Note 22 – COVID – 19

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

Note 23 – Change in Accounting Principle

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

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

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.

Note 24 - Asset Retirement

The Governmental Accounting Standard Board's (GASB) Statement No. 83, *Certain Asset Retirement Obligations*, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The Bureau of Underground Storage Tank Regulations (BUSTR) regulates petroleum and hazardous substances stored in underground storage tanks. These regulations are included in Ohio Administrative Code Section 1301-7-9 and require a School District classified as an "owner" or "operator," to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for that year it is not being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination. This asset retirement obligation (ARO) of $13,250 associated with the School District's underground storage tanks was estimated by the School District. The UST is fully depreciated. The School District maintains insurance related to any potential pollution remediation associated with the USTs.

Note 25 – Subsequent Events

On November 7, 2023, the voters approved a 3.4 mills renewal emergency levy in the sum of $839,531. The levy is for 5 years, commencing in 2024, first due in calendar year 2025. The voters also approved a 0.9 mill general permanent improvement renewal levy. Both levies are for 5 years, commencing in 2024, first due in calendar year 2025.

(This Page Intentionally Left Blank)

Required Supplementary Information

Liberty Local 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	0.04875490%	0.05413970%	0.05628300%	0.05853240%
School District's Proportionate Share of the Net Pension Liability	$2,637,045	$1,997,599	$3,722,676	$3,502,096
School District's Covered Payroll	$1,891,464	$1,824,214	$1,994,157	$2,020,911
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	139.42%	109.50%	186.68%	173.29%
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
0.05535520%	0.05534680%	0.05194950%	0.05211860%	0.05479800%	0.05479800%
$3,170,295	$3,306,849	$3,802,224	$2,973,938	$2,773,296	$3,258,661
$1,884,133	$1,779,100	$1,636,343	$1,556,844	$1,592,328	$1,698,237
168.26%	185.87%	232.36%	191.02%	174.17%	191.88%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

Liberty Local 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
School District's Proportion of the Net OPEB Liability	0.05020700%	0.05561640%	0.05829980%
School District's Proportionate Share of the Net OPEB Liability	$704,913	$1,052,585	$1,267,045
School District's Covered Payroll	$1,891,464	$1,824,214	$1,994,157
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	37.27%	57.70%	63.54%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%

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

2020	2019	2018	2017
0.05975250%	0.05615390%	0.05600950%	0.05247690%
$1,502,649	$1,557,861	$1,503,148	$1,495,786
$2,020,911	$1,884,133	$1,779,100	$1,636,343
74.36%	82.68%	84.49%	91.41%
15.57%	13.57%	12.46%	11.49%

Liberty Local 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	0.04971107%	0.05099125%	0.05305028%	0.05383357%
School District's Proportionate Share of the Net Pension Liability	$11,050,833	$6,519,688	$12,836,280	$11,904,971
School District's Covered Payroll	$6,500,229	$6,245,793	$6,364,907	$6,451,236
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	170.01%	104.39%	201.67%	184.54%
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
0.05347267%	0.05197352%	0.05150881%	0.04970307%	0.05076883%	0.05076883%
$11,757,439	$12,346,422	$17,241,551	$13,736,474	$12,348,736	$14,709,734
$6,100,743	$5,775,414	$5,469,000	$5,213,393	$5,144,243	$5,536,569
192.72%	213.78%	315.26%	263.48%	240.05%	265.68%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

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

	2023	2022	2021
School District's Proportion of the Net OPEB Liability/Asset	0.04971107%	0.05099125%	0.05305028%
School District's Proportionate Share of the Net OPEB Liability (Asset)	($1,287,186)	($1,075,108)	($932,357)
School District's Covered Payroll	$6,500,229	$6,245,793	$6,364,907
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-19.80%	-17.21%	-14.65%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	230.70%	174.70%	182.13%

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

2020	2019	2018	2017
0.05383357%	0.05347267%	0.05197352%	0.05150881%
($891,613)	($859,253)	$2,027,814	$2,754,705
$6,451,236	$6,100,743	$5,775,414	$5,469,000
-13.82%	-14.08%	35.11%	50.37%
174.70%	176.00%	47.10%	37.30%

Liberty Local School District
Required Supplementary Information
Schedule of the School District's Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	$274,009	$264,805	$255,390	$279,182
Contributions in Relation to the Contractually Required Contribution	(274,009)	(264,805)	(255,390)	(279,182)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$1,957,207	$1,891,464	$1,824,214	$1,994,157
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution (2)	$37,251	$34,602	$34,766	$36,957
Contributions in Relation to the Contractually Required Contribution	(37,251)	(34,602)	(34,766)	(36,957)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll (2)	1.90%	1.83%	1.91%	1.85%
Total Contributions as a Percentage of Covered Payroll (2)	15.90%	15.83%	15.91%	15.85%

(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
$272,823	$254,358	$249,074	$229,088	$205,192	$220,697
(272,823)	(254,358)	(249,074)	(229,088)	(205,192)	(220,697)
$0	$0	$0	$0	$0	$0
$2,020,911	$1,884,133	$1,779,100	$1,636,343	$1,556,843	$1,592,328
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%
$45,490	$39,741	$29,811	$25,832	$39,002	$38,606
(45,490)	(39,741)	(29,811)	(25,832)	(39,002)	(38,606)
$0	$0	$0	$0	$0	$0
2.25%	2.11%	1.68%	1.58%	2.51%	2.42%
15.75%	15.61%	15.68%	15.58%	15.69%	16.28%

Liberty Local School District

Required Supplementary Information

Schedule of the School District's Contributions

State Teachers Retirement System of Ohio

Last Ten Fiscal Years

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	$919,025	$910,032	$874,411	$891,087
Contributions in Relation to the Contractually Required Contribution	(919,025)	(910,032)	(874,411)	(891,087)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$6,564,464	$6,500,229	$6,245,793	$6,364,907
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability (Asset)				
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	0	0	0
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
$903,173	$854,104	$808,558	$765,660	$729,875	$668,752
(903,173)	(854,104)	(808,558)	(765,660)	(729,875)	(668,752)
$0	$0	$0	$0	$0	$0
$6,451,236	$6,100,743	$5,775,414	$5,469,000	$5,213,393	$5,144,243
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%
$0	$0	$0	$0	$0	$51,442
0	0	0	0	0	(51,442)
$0	$0	$0	$0	$0	$0
0	0.00%	0.00%	0.00%	0.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	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 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	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 set back from age 90 and above.

Changes in Benefit Term – STRS

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 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.

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

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.

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

(This Page Intentionally Left Blank)

LIBERTY LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/ *Pass-Through Grantor/* Program or Cluster Title	Assistance Listing Number	Expenditures	Non-Cash Expenditures
U.S. Department of Agriculture			
Passed through Ohio Department of Education			
Child Nutrition Cluster:			
School Breakfast Program	10.553	$ 154,111	$ 0
National School Lunch Program	10.555	380,165	53,102
COVID-19 National School Lunch Program	10.555	38,848	0
Total Child Nutrition Cluster		573,124	53,102
COVID-19 - Pandemic EBT Administrative Costs	10.649	3,135	0
Total U.S. Department of Agriculture		576,259	53,102
U.S. Federal Communications Commission			
Direct Program			
Emergency Connectivity Fund Program	32.009	32,101	0
Total U.S. Federal Communications Commission		32,101	0
U.S. Department of Education			
Passed through Ohio Department of Education			
Title I - Grants to Local Educational Agencies - Non-Competitive-FY 23	84.010	56,543	0
Title I - Grants to Local Educational Agencies - Non-Competitive-FY 22	84.010	1,250	0
Title I - Grants to Local Educational Agencies - FY 23	84.010	513,128	
Title I - Grants to Local Educational Agencies - FY 22	84.010	59,212	
Title I - Grants to Local Educational Agencies - Expanding Opportunities for Each Child - FY 23	84.010A	22,721	0
Total ALN #84.010		652,854	0
Special Education Cluster (IDEA):			
Special Education - Grants to States -IDEA Part B - FY 23	84.027	344,877	0
COVID-19 - Special Education - Grants to States - ARP IDEA Part B - FY 22	84.027X	47,980	0
Total Special Education Cluster (IDEA)		392,857	0
Improving Teacher Quality State Grants - Title II-A - FY 23	84.367	83,095	0
Student Support and Academic Enrichment Program - Title IV-A - FY 23	84.424	36,979	0
Student Support and Academic Enrichment Program - Title IV-A - FY 22	84.424	986	0
Total ALN #84.424		37,965	0
Rural Education -			
Rural and Low-Income School Program - Title V-B - FY 23	84.358B	12,501	0
Rural and Low-Income School Program - Title V-B - FY 22	84.358B	5,420	0
Total ALN #84.358		17,921	0
Education Stabilization Fund -			
COVID-19 - Governor Emergency Relief - School Based Health	84.425C	277,980	0
COVID 19 - ESSER II	84.425D	237,153	0
COVID 19 - ESSER III ARP	84.425U	711,373	0
Total ALN #84.425		1,226,506	0
Total U.S. Department of Education		2,411,198	0
TOTAL EXPENDITURES OF FEDERAL AWARDS		$ 3,019,558	$ 53,102

See accompanying notes to the Schedule of Expenditures of Federal Awards.

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

NOTE 1: **BASIS OF PRESENTATION**

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

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

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

NOTE 3: **INDIRECT COST RATE**

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

NOTE 4: **CHILD NUTRITION CLUSTER**

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE 5: **FOOD DONATION PROGRAM**

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Liberty Local School District
Trumbull County
4115 Shady Road
Youngstown, OH 44505

To the Members of the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Liberty Local School District, Trumbull County, Ohio, (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 22, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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. Therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we considered a significant deficiency as item **2023-001**.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying Schedule of Findings and Questioned Costs as item **2023-002**.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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.

Zupka & Associates

Zupka & Associates
Certified Public Accountants

December 22, 2023

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

Liberty Local School District
Trumbull County
4115 Shady Road
Youngstown, OH 44505

To the Members of the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Liberty Local School District, Trumbull County, Ohio's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2023. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Liberty Local School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the Liberty Local School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Liberty Local School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Zupka & Associates

Zupka & Associates
Certified Public Accountants

December 22, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
UNIFORM GUIDANCE
JUNE 30, 2023

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

2023(i)	Type of Financial Statement Opinion	Unmodified
2023(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2023(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
2023(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
2023(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2023(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2023(v)	Type of Major Programs' Compliance Opinions	Unmodified
2023(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2023(vii)	Major Programs (list): Education Stabilization Fund - COVID-19 - Governor Emergency Relief - School Based Health - ALN #84.425C COVID-19 - ESSER II - ALN #84.425D COVID-19 - ESSER III ARP - ALN #84.425U	
2023(viii)	Dollar Threshold: A/B Program	Type A: $750,000 Type B: All Others
2023(ix)	Low Risk Auditee?	Yes

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

Finding No. 2023-001 – Significant Deficiency – Financial Reporting

Condition/Criteria
During our review, the following errors were identified and subsequently corrected in the financial statements:

- Accounts payable and capital outlay were understated by $550,897 in the ESSER fund (Other Governmental Funds).

- Intergovernmental receivable was understated by $550,897, intergovernmental revenue was understated by $324,347, and deferred inflows of resources were understated by $226,550 in the ESSER fund (Other Governmental Funds).

- Construction-in-progress was understated by $550,897 and capital outlay was overstated by $550,897 in Governmental Activities.

Cause/Effect
A lack of controls over financial reporting can result in errors and irregularities that may go undetected and decrease the reliability of financial data at year end.

Recommendation
We recommend that the District implement additional controls and procedures related to financial reporting that enables management to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes.

District's Response
The construction project pay apps are sometimes difficult to interpret unlike regular invoices where they are specific dates that we can use for accounts payable calculations. This was an oversight and, in the future, we will dig deeper by making sure construction projects are looked into further and by working with the GAAP auditors to ensure all payables are reported in the correct fiscal year.

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

Finding No. 2023-002 – Material Non-Compliance – Contract Bidding Process

During our review, we noted that the District approved a contract during the audit period for a building improvement project that did not follow the District's Purchasing and Bidding Policy, or the regulations of Ohio Revised Code regarding advertisement for bids.

Ohio Revised Code 3313.46(A) requires that "the board shall advertise for bids once each week for a period of not less than two consecutive weeks, or as provided in section 7.16 of the Revised Code, in a newspaper of general circulation in the district before the date specific by the board for receiving bids."

The District directly contacted several local contractors with the bidding documents instead of advertising per the requirements of the Ohio Revised Code 3313.46(A).

Cause/Effect

The District did not follow its Purchasing and Bidding Policy or the regulations of Ohio Revised Code 3313.46(A) regarding competitive bidding. As a result, the District was not in compliance with the applicable sections of the Ohio Revised Code.

Recommendation

We recommend that the District ensure that all applicable contracts are subject to competitive bidding requirements in order to be in compliance with District policies and the regulations of the Ohio Revised Code 3313.46(A).

District's Response

We appreciate the review conducted by your team and acknowledge the findings pertaining to the competitive bidding procedures.

Upon accepting the School-Based Health Clinic grant, the District began working with architect Annissa Neider, principal of A Neider Architecture LLC ("Neider"). The District understood that Neider had experience and knowledge of the competitive bidding process. As evidenced by e-mail exchanges between the District and Neider, there was a mutual understanding the project would be bid in accordance with the competitive bidding provisions of R.C. 3313.46, and advertising for bids would be conducted by Neider. Neider never communicated to the District that she did not do so. Therefore, it was unaware of this issue. As the District received a number of bids at the opening and was told that even more had the plans, there was no reason to believe Neider did not advertise for bids. However, the District now understands that Neider, on her own initiative and unbeknownst to the District, did not advertise for two weeks but instead "mass" e-mailed the project's bid specifications to at least eight firms. It is understood that each firm received a substantively identical e-mail. Furthermore, the District does not understand there to be a nefarious intent. Rather, Neider has represented that she thought that given the circumstances, blind e-mailing other firms would be a productive way to generate more bids for the project. Obviously, the District did not authorize this decision, nor does it condone this as an alternative to advertising in a newspaper. The District also understands that bidding otherwise complied with the Revised Code and policy.

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

Finding No. 2023-002 – Material Non-Compliance – Contract Bidding Process (Continued)

District's Response (Continued)
Notably, the District has since sought a legal opinion (in another project) explaining the bidding process and has had extensive communications regarding the proper bidding procedures. The more recent project (which the District bid itself, as opposed to using a third-party architect) complied with the advertising requirements.

Nonetheless, to address this matter effectively, the District will institute the following corrective measures:

1. Review of the District's procurement procedures and staff training to educate District administrative personnel involved in the procurement process to reinforce compliance with Board Policy 6320 and Revised Code 3313.46.

2. Implement oversight measures to ensure that future projects undergo the requisite competitive bidding procedures, such as requiring any third party to provide evidence of each step being completed in the bidding process before proceeding to the next step.

We are committed to correcting this oversight and your audit findings serve as an essential tool for our continuous improvement efforts.

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

None.

LIBERTY LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The audit report for the fiscal year ended June 30, 2022 contained no audit findings or management letter recommendations.

OHIO AUDITOR OF STATE
KEITH FABER

LIBERTY LOCAL SCHOOL DISTRICT

TRUMBULL COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 2/13/2024