OHIO AUDITOR OF STATE
KEITH FABER

MARTINS FERRY CITY SCHOOL DISTRICT
BELMONT COUNTY
JUNE 30, 2023

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BELMONT COUNTY
JUNE 30, 2023

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OHIO AUDITOR OF STATE
KEITH FABER

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

INDEPENDENT AUDITOR'S REPORT

Martins Ferry City School District
Belmont County
5001 Ayers Limestone Road
Martins Ferry, Ohio 43935

To the Board of Education:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Martins Ferry City School District, Belmont County, Ohio (the School District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Martins Ferry City School District, Belmont County, Ohio as of June 30, 2023, and the respective changes in financial position thereof and the respective budgetary comparisons for the General and Schoolwide Pool Funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 School District's internal control. Accordingly, no such opinion is expressed.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension and Other Post-Employment Benefit Liabilities and Pension and Other Post-Employment Benefit Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it 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 School District's basic financial statements. The Schedule of Expenditures of Federal Awards (the Schedule) as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2024, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 School 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 School District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

March 18, 2024

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

Financial Highlights

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

- In total, net position increased $1,030,650.

- General revenues accounted for $18,305,455 in revenue or approximately 73 percent of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions, and capital grants and contributions accounted for $6,816,688 or approximately 27 percent of total revenues of $25,122,143.

- Total assets of governmental activities increased $188,263, primarily due to increases in capital assets offsetting a decrease in current and other assets. Total liabilities increased $6,054,388, primarily due a increase in the net pension liability.

- The School District had $24,091,493 in expenses related to governmental activities; only $6,816,688 of these expenses were offset by program specific charges for services and sales and operating grants and contributions. General revenues of $18,305,455 were adequate to provide for these programs.

- Total governmental funds had $25,417,074 in revenues and $25,668,428 in expenditures. Overall, including other financing sources and uses, Total Governmental Funds' balance decreased $251,354.

Using this Annual Financial Report

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

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

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2023 compared to 2022, which has been restated. See Note 3 for more information.

Table 1
Net Position
Governmental Activities

	2023	Restated 2022	Net Change
Assets			
Current and Other Assets	$23,105,381	$24,299,418	($1,194,037)
Net OPEB Asset	1,631,013	1,333,891	297,122
Capital Assets	41,686,863	40,601,685	1,085,178
Total Assets	66,423,257	66,234,994	188,263
Deferred Outflows of Resources			
Pension	4,590,903	4,928,195	(337,292)
OPEB	536,898	674,747	(137,849)
Total Deferred Outflows of Resources	5,127,801	5,602,942	(475,141)
Liabilities			
Current and Other Liabilities	2,686,244	2,510,651	175,593
Long-Term Liabilities:			
Due Within One Year	892,584	877,715	14,869
Due in More than One Year:			
Net Pension Liability	17,433,327	10,488,519	6,944,808
Net OPEB Liability	904,297	1,256,290	(351,993)
Other Amounts	20,401,543	21,130,432	(728,889)
Total Liabilities	42,317,995	36,263,607	6,054,388
Deferred Inflows of Resources			
Property Taxes	6,905,350	7,739,994	(834,644)
Pension	1,612,609	8,319,925	(6,707,316)
OPEB	2,439,343	2,269,299	170,044
Total Deferred Inflows of Resources	10,957,302	18,329,218	(7,371,916)
Net Position			
Net Investment in Capital Assets	22,980,226	21,070,788	1,909,438
Restricted	5,845,173	5,228,454	616,719
Unrestricted (Deficit)	(10,549,638)	(9,054,131)	(1,495,507)
Total Net Position	$18,275,761	$17,245,111	$1,030,650

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

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

Total assets of governmental activities increased $188,263. Currents assets decreased $1,164,037 primarily due to decrease in property taxes receivable related to a decrease in assessed valuation, due in part to the settlement of a tax valuation complaint. See the Economic Factors section of this Management Discussion and Analysis for more information. Decreases in intergovernmental receivable related to federal grants, as well as decreases in cash and cash equivalents also contributed to the decrease in current assets. Capital assets increased $1,055,178 as capital asset additions exceeded annual depreciation. The most notable of the capital asset additions were the completion of the floor project and the track rehabilitation project from the prior year, as well as the purchase of three new buses. The School District is reporting an increase in the net OPEB asset in the amount of $297,122 (more detailed information regarding the net OPEB asset can be found in Note 12).

The School District's total liabilities increased $6,054,388. Current and other liabilities increased $175,593 primarily due to increases in accrued wages and benefits and accounts payable. These increases were offset by a decrease in contracts payable as the significant construction in progress projects from the prior year have been completed. Long-term liabilities increased $5,878,795, primarily to increases in net pension liability due to net pension liability as poor investments returns for the pension plans have reduced the improvements in the liability that were reported in fiscal year 2022. For more detailed information on then net pension liability and the net OPEB liability, see Notes 11 and 12 respectively. The increase in net pension liability was partially offset by annual debt service payments on existing long-term obligations.

The School District's deferred inflows of resources decreased $7,371,916, primarily due to the previously mentioned change in the net difference between projected and actual earnings on pension plan investments.

In order to further understand what makes up the changes in net position for the current year, the following tables give readers further details regarding the results of activities for 2023 and 2022, which has been restated. See Note 3 for more information.

Table 2
Changes in Net Position
Governmental Activities

	2023	Restated 2022	Net Change
Revenues			
Program Revenue			
Charges for Services and Sales	$924,912	$950,479	($25,567)
Operating Grants and Contributions	3,745,473	4,039,783	(294,310)
Capital Grants and Contributions	2,146,303	748,837	1,397,466
Total Progam Revenue	6,816,688	5,739,099	1,077,589
General Revenue			
Property Taxes	7,611,824	8,289,307	(677,483)
Grants and Entitlements	10,352,366	11,012,926	(660,560)
Gifts and Donations	27,545	17,250	10,295
Investment Earnings	165,268	5,726	159,542
Miscellaneous	148,452	79,555	68,897
Total General Revenue	18,305,455	19,404,764	(1,099,309)
Total Revenues	$25,122,143	$25,143,863	($21,720)
Program Expenses			
Instruction:			
Regular	$8,714,794	$9,087,197	($372,403)
Special	3,846,261	3,308,289	537,972
Vocational	712,889	559,744	153,145
Student Intervention Services	376,024	145,275	230,749
Support Services:			
Pupil	1,138,572	974,284	164,288
Instructional Staff	604,609	537,500	67,109
Board of Education	298,876	134,109	164,767
Administration	1,864,538	1,586,667	277,871
Fiscal	573,675	664,186	(90,511)
Operation and Maintenance of Plant	2,242,062	1,899,088	342,974
Pupil Transportation	935,387	829,545	105,842
Central	124,929	98,907	26,022
Operation of Non-Instructional Services	155,612	139,675	15,937
Food Service Operations	822,276	754,276	68,000
Extracurricular Activities	1,019,811	903,743	116,068
Interest	661,178	499,119	162,059
Total Expenses	24,091,493	22,121,604	1,969,889
Change in Net Position	1,030,650	3,022,259	(1,991,609)
Net Position Beginning of Year	17,245,111	14,222,852	3,022,259
Net Position End of Year	$18,275,761	$17,245,111	$1,030,650

In fiscal year 2023, 30 percent of the School District's revenues were from property taxes, and 41 percent were from unrestricted grants and entitlements. Program revenue consisting of charges for services, operating grants and contributions, and capital grants and contributions increased $1,077,589 from the prior fiscal year. The increase is primarily due to the School District drawing significant portions of its Elementary and Secondary School Emergency Relief (ESSER) Funding allocation for the floor project, which increased capital grants and contributions by $1,397,466. Operating grants decreased $294,310 due to decreases in Federal funding for enhanced school meal programs, which ended with fiscal year 2022, and decreases in ESSER fundings supporting operational instructional programs. Charges for services program revenue decreased slightly, in the amount of $25,567.

Instruction comprises approximately 57 percent of total governmental program expenses. Of the instructional expenses, approximately 64 percent is for regular instruction, approximately 28 percent is for special instruction, while vocational and student intervention services comprises the remaining 8 percent. Overall program expenses increased over the prior fiscal year in the amount of $1,969,889, primarily due to pension and OPEB expenses.

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
Instruction:				
Regular	$8,714,794	$9,087,197	$7,931,586	$7,723,177
Special	3,846,261	3,308,289	1,961,010	1,529,669
Vocational	712,889	559,744	452,884	398,835
Student Intervention Services	376,024	145,275	259,479	83,822
Support Services:				
Pupil	1,138,572	974,284	1,115,212	844,349
Instructional Staff	604,609	537,500	603,498	537,500
Board of Education	298,876	134,109	298,876	134,109
Administration	1,864,538	1,586,667	1,849,453	1,580,706
Fiscal	573,675	664,186	402,711	498,823
Operation and Maintenance of Plant	2,242,062	1,899,088	(29,953)	925,611
Pupil Transportation	935,387	829,545	761,942	813,310
Central	124,929	98,907	120,391	96,112
Operation of Non-Instructional Services	155,612	139,675	8,085	53,784
Food Service Operations	822,276	754,276	174,438	(1,278)
Extracurricular Activities	1,019,811	903,743	704,015	664,857
Interest	661,178	499,119	661,178	499,119
Total Expenses	$24,091,493	$22,121,604	$17,274,805	$16,382,505

The dependence upon tax revenues and state subsidies for governmental activities is apparent**,** as approximately 72 percent of total expenses are supported through taxes and other general revenues.

The School District Funds

Information about the School District's major funds starts on page 15. These funds are accounted for using the modified accrual basis of accounting**.** The School District has three major funds, the General Fund, the Schoolwide Pool Special Revenue Fund, and the Debt Service Fund. The General Fund had $18,960,568 in revenues and $16,287,346 in expenditures. Including other financing uses, the General Fund's balance decreased $538,965. Increases in General Fund expenditures, in conjunction with a decrease in funding received from State Foundation contributed to the decrease in carryover fund balance. The Schoolwide Pool Fund had $486,300 in revenues and $2,987,724 in expenditures. Including other financing sources, the Schoolwide Pool had no change in fund balance. The Debt Service Fund had revenues in the amount of $1,048,922 and expenditures in the amount of $1,357,935. Including other financing sources, the Debt Service Fund's balance increased $396,750 as the School District accumulates resources to retire future debt service obligations.

General Fund Budgeting Highlights

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

During the course of fiscal 2023, the School District amended its General Fund budget, and the budgetary statement reflects both the original and final amounts. The School District's final budgeted amounts differed from original amount as the School District amended these amounts to more closely reflect actual operations. As a result of this budgetary practice, actual amounts do not differ significantly from final budget amounts.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the School District had $41,686,863 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, and subscription assets, net of depreciation/amortization. Table 4 shows fiscal year 2023 balances compared to fiscal year 2022.

Table 4
Capital Assets Net of Depreciation/Amortization
Governmental Activities

	2023	Restated 2022
Land	$2,436,556	$2,436,556
Construction in Progress	0	780,190
Land Improvements	4,962,959	4,793,484
Buildings and Improvements	33,327,755	32,025,316
Furniture and Equipment	223,839	141,850
Vehicles	610,618	398,402
Development in Progress Subscription Assets	103,564	25,887
Intangible Right to Use Subscription Assets	21,572	0
Totals	$41,686,863	$40,601,685

See Note 9 for more detailed information of the School District's capital assets.

Debt

At June 30, 2023, the School District had $18,703,684 in outstanding general obligation bonds including premium, and Certificates of Participation including premium, with $725,000 due within one year. In addition, the School District had $1,198,000 in outstanding financed purchases, with $126,000 due within one year.

Table 5
Outstanding Debt at Fiscal Year End
Governmental Activities

	2023	2022
2019 Refunding Bonds		
Serial Bonds	$6,340,000	$6,835,000
Premium	317,851	350,451
2016 Qualified Zone Academy Bonds	1,500,000	1,500,000
2019 Certificates of Participation		
Serial Bonds	10,265,000	10,475,000
Premium	280,833	291,846
Financed Purchases	1,198,000	1,319,000
Total	$19,901,684	$20,771,297

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

Economic Factors

During fiscal year 2021, the School District challenged a tax valuation complaint from Alecto (East Ohio Regional Hospital). As of May 10, 2023 a final determination was granted from the Board of Revisions. For tax year 2020, the School Counter Complaint was a value of $14,966,010.00. The Owner Requested Value was $1,884,910.00. The Final Value was $1,884,910.00. For tax years 2021 and 2022, the School Counter Complaint was $14,966,010.00. The Owner Requested Value was $2,000,000. The Final Value was $5,385,160.00.

During fiscal year 2023, the School District continued the Schoolwide Pool for the elementary school; whereas, it combines General Fund money with Title I and Title IIA Federal money to allow the School District more flexibility for the use of the Federal Funds.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Dana Garrison, Treasurer/CFO at Martins Ferry City School District, 5001 Ayers Limestone Rd, Martins Ferry, Ohio 43935.

Martins Ferry City School District
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$13,161,934
Investments with Fiscal and Escrow Agents	547,193
Intergovernmental Receivable	629,101
Materials and Supplies Inventory	53,697
Property Taxes Receivable	8,489,913
Prepaid Items	169,282
Unamortized Certificates of Participation Insurance Premium	54,261
Net OPEB Asset	1,631,013
Non-Depreciable Capital Assets	2,540,120
Depreciable Capital Assets, Net	39,146,743
Total Assets	66,423,257
Deferred Outflows of Resources	
Pension	4,590,903
OPEB	536,898
Total Deferred Outflows of Resources	5,127,801
Liabilities	
Accounts Payable	256,562
Accrued Wages and Benefits Payable	1,539,711
Intergovernmental Payable	545,856
Contracts Payable	40,047
Matured Severance Payable	3,949
Accrued Interest Payable	50,687
Vacation Benefits Payable	76,514
Unearned Revenue	172,918
Long-Term Liabilities:	
Due Within One Year	892,584
Due In More Than One Year:	
Net Pension Liability	17,433,327
Net OPEB Liability	904,297
Other Amounts	20,401,543
Total Liabilities	42,317,995
Deferred Inflows of Resources	
Property Taxes	6,905,350
Pension	1,612,609
OPEB	2,439,343
Total Deferred Inflows of Resources	10,957,302
Net Position	
Net Investment in Capital Assets	22,980,226
Restricted for:	
Debt Service	3,462,348
Capital Projects	1,450,557
Food Service	204,542
Classroom Facilities Maintenance	97,616
State Programs	26,564
Federal Programs	187,189
Student Activities	36,525
Other Purposes	2,359
OPEB Plans	377,473
Unrestricted (Deficit)	(10,549,638)
Total Net Position	$18,275,761

See accompanying notes to the basic financial statements

Martins Ferry City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2023

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities					
Instruction:					
Regular	$8,714,794	$222,398	$560,810	$0	($7,931,586)
Special	3,846,261	0	1,885,251	0	(1,961,010)
Vocational	712,889	0	260,005	0	(452,884)
Student Intervention Services	376,024	0	116,545	0	(259,479)
Support Services:					
Pupil	1,138,572	0	23,360	0	(1,115,212)
Instructional Staff	604,609	0	1,111	0	(603,498)
Board of Education	298,876	0	0	0	(298,876)
Administration	1,864,538	0	15,085	0	(1,849,453)
Fiscal	573,675	0	170,964	0	(402,711)
Operation and Maintenance of Plant	2,242,062	171,366	123,779	1,976,870	29,953
Pupil Transportation	935,387	0	4,012	169,433	(761,942)
Central	124,929	0	4,538	0	(120,391)
Operation of Non-Instructional Service	155,612	0	147,527	0	(8,085)
Food Service Operations	822,276	215,352	432,486	0	(174,438)
Extracurricular Activities	1,019,811	315,796	0	0	(704,015)
Interest	661,178	0	0	0	(661,178)
Total Governmental Activities	$24,091,493	$924,912	$3,745,473	$2,146,303	(17,274,805)

General Revenues	
Property Taxes Levied for General Purposes	6,415,623
Property Taxes Levied for Capital Outlay	281,701
Property Taxes Levied for Debt Service	856,095
Property Taxes Levied for Building Maintenance	58,405
Grants and Entitlements not Restricted to Specific Programs	10,352,366
Gifts and Donations	27,545
Investment Earnings	165,268
Miscellaneous	148,452
Total General Revenues	18,305,455
Change in Net Position	1,030,650
Net Position Beginning of Year - Restated (Note 3)	17,245,111
Net Position End of Year	$18,275,761

See accompanying notes to the basic financial statements

Martins Ferry City School District
Balance Sheet
Governmental Funds
June 30, 2023

	General	Schoolwide Pool	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	$8,185,054	$0	$3,028,882	$1,947,998	$13,161,934
Restricted Assets:					
Investments with Fiscal and Escrow Agents	0	0	547,193	0	547,193
Receivables:					
Property Taxes	7,132,220	0	983,307	374,386	8,489,913
Intergovernmental	253,701	0	0	375,400	629,101
Interfund	242,038	398,120	0	0	640,158
Prepaid Items	7,232	0	0	162,050	169,282
Materials and Supplies Inventory	27,261	0	0	26,436	53,697
Total Assets	$15,847,506	$398,120	$4,559,382	$2,886,270	$23,691,278
Liabilities					
Accounts Payable	$198,152	$0	$0	$58,410	$256,562
Contracts Payable	0	0	0	40,047	40,047
Accrued Wages and Benefits Payable	1,120,010	351,302	0	68,399	1,539,711
Interfund Payable	353,257	0	0	286,901	640,158
Intergovernmental Payable	490,871	46,818	0	8,167	545,856
Matured Severance Payable	3,949	0	0	0	3,949
Unearned Revenue	0	0	0	172,918	172,918
Total Liabilities	2,166,239	398,120	0	634,842	3,199,201
Deferred Inflows of Resources					
Property Taxes	5,828,574	0	765,514	311,262	6,905,350
Unavailable Revenue	987,872	0	124,787	46,708	1,159,367
Total Deferred Inflows of Resources	6,816,446	0	890,301	357,970	8,064,717
Fund Balances					
Nonspendable:					
Inventories	27,261	0	0	26,436	53,697
Prepaids	7,232	0	0	162,050	169,282
Restricted for:					
Debt Service	0	0	3,669,081	0	3,669,081
Capital Projects	0	0	0	1,383,306	1,383,306
Food Service Operations	0	0	0	178,106	178,106
Classroom Facilities Maintenance	0	0	0	88,548	88,548
Local Programs	0	0	0	2,359	2,359
State Programs	0	0	0	22,779	22,779
Student Activities	0	0	0	36,525	36,525
Committed to:					
Termination Benefits	89,160	0	0	0	89,160
Assigned for:					
Future Appropriations	1,613,135	0	0	0	1,613,135
Purchases on Order	217,245	0	0	0	217,245
Capital Projects	1,352,867	0	0	0	1,352,867
Unassigned (Deficit)	3,557,921	0	0	(6,651)	3,551,270
Total Fund Balances	6,864,821	0	3,669,081	1,893,458	12,427,360
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$15,847,506	$398,120	$4,559,382	$2,886,270	$23,691,278

See accompanying notes to the basic financial statements

Martins Ferry City School District

Reconciliation of Total Governmental Fund Balances

to Net Position of Governmental Activities

June 30, 2023

Total Governmental Fund Balances		$12,427,360
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.		41,686,863
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	908,253	
Grants	10,436	
Tuition and Fees	240,678	
Total		1,159,367
In the Statement of Activities, interest is accrued on outstanding bonds and notes, whereas in the governmental funds, an interest expenditure is reported when due.		(50,687)
Vacation Benefits Payable is recognized for earned vacation benefits that are not expected to be paid with expendable available financial resources are therefore are not reported in the funds.		(76,514)
Unamortized insurance premiums on the certificates of participation do not provide current financial resources, and therefore are not reported in the funds.		54,261
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds - Serial	(6,340,000)	
Premium on Serial/Term Bonds	(317,851)	
Qualified Zone Academy Bonds	(1,500,000)	
Certificates of Participation	(10,265,000)	
Premium on Certificates of Participation	(280,833)	
Financed Purchases	(1,198,000)	
Compensated Absences	(1,392,443)	
Total		(21,294,127)
The net pension/OPEB (asset) liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:		
Net OPEB Asset	1,631,013	
Deferred Outflows - Pension	4,590,903	
Deferred Outflows - OPEB	536,898	
Net Pension Liability	(17,433,327)	
Net OPEB Liability	(904,297)	
Deferred Inflows - Pension	(1,612,609)	
Deferred Inflows - OPEB	(2,439,343)	
Total		(15,630,762)
Net Position of Governmental Activities		$18,275,761

See accompanying notes to the basic financial statements

Martins Ferry City School District

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

	General	Schoolwide Pool	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	$6,542,351	$0	$872,154	$348,213	$7,762,718
Intergovernmental	11,715,941	486,300	123,336	4,012,770	16,338,347
Investment Earnings	109,028	0	53,432	2,808	165,268
Tuition and Fees	258,324	0	0	0	258,324
Extracurricular Activities	0	0	0	315,796	315,796
Rent and Royalties	171,366	0	0	0	171,366
Contributions and Donations	1,200	0	0	26,345	27,545
Charges for Services	13,906	0	0	215,352	229,258
Miscellaneous	148,452	0	0	0	148,452
Total Revenues	18,960,568	486,300	1,048,922	4,921,284	25,417,074
Expenditures					
Current:					
Instruction:					
Regular	5,779,727	1,979,106	0	79,907	7,838,740
Special	2,074,136	1,008,618	0	504,010	3,586,764
Vocational	561,493	0	0	110,462	671,955
Student Intervention Services	219,770	0	0	116,545	336,315
Support Services:					
Pupil	1,071,716	0	0	23,360	1,095,076
Instructional Staff	509,479	0	0	1,260	510,739
Board of Education	300,233	0	0	0	300,233
Administration	1,693,186	0	0	17,282	1,710,468
Fiscal	552,909	0	16,456	6,135	575,500
Operation and Maintenance of Plant	1,733,235	0	0	256,079	1,989,314
Pupil Transportation	916,108	0	0	173,445	1,089,553
Central	120,367	0	0	5,400	125,767
Operation of Non-Instructional Services	0	0	0	155,612	155,612
Food Service Operations	0	0	0	706,941	706,941
Extracurricular Activities	566,161	0	0	386,565	952,726
Capital Outlay	0	0	0	2,492,420	2,492,420
Debt Service:					
Principal	121,000	0	705,000	0	826,000
Interest	67,826	0	636,479	0	704,305
Total Expenditures	16,287,346	2,987,724	1,357,935	5,035,423	25,668,428
Excess of Revenues Over (Under) Expenditures	2,673,222	(2,501,424)	(309,013)	(114,139)	(251,354)
Other Financing Sources (Uses)					
Transfers In	0	2,501,424	705,763	5,000	3,212,187
Transfers Out	(3,212,187)	0	0	0	(3,212,187)
Total Other Financing Sources (Uses)	(3,212,187)	2,501,424	705,763	5,000	0
Net Change in Fund Balances	(538,965)	0	396,750	(109,139)	(251,354)
Fund Balances Beginning of Year	7,403,786	0	3,272,331	2,002,597	12,678,714
Fund Balances End of Year	$6,864,821	$0	$3,669,081	$1,893,458	$12,427,360

See accompanying notes to the basic financial statements

Martins Ferry City School District

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

Net Change in Fund Balances - Total Governmental Funds		($251,354)
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 asset additions exceeded depreciation/amortization in the current period.		
Capital Assets Additions	2,917,465	
Depreciation/Amortization Expense	(1,832,287)	
Total		1,085,178
Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.		
Delinquent Property Taxes	(150,894)	
Grants	(94,205)	
Tuition and Fees	(49,832)	
Total		(294,931)
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt in the Statement of Activities.		1,642
Insurance premiums on debt issues are a component in the cost of issuance in the governmental funds, but are allocated as an expense over the life of the bonds in the Statement of Activities.		(2,128)
Bond premiums are reported as other financing sources in the governmental funds, but are allocated as an expense over the life of the bonds in the Statement of Activities.		43,613
Repayment of principal/accretion on capital appreciation bonds is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
General Obligation Bonds	495,000	
Certificates of Participation	210,000	
Financed Purchases	121,000	
Total		826,000
Some expenses reported in the Statement of Activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Vacation Benefits Payable	11,785	
Compensated Absences	(155,593)	
Total		(143,808)
Contractually required contributions are reported as expenditures in the governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.		
Pension	1,565,907	
OPEB	45,741	
Total		1,611,648
Except for amounts reported as deferred inflows/outflows, changes in net pension/OPEB liability are reported as pension/OPEB expense in the Statement of Activities		
Pension	(2,140,691)	
OPEB	295,481	
Total		(1,845,210)
Change in Net Position of Governmental Activities		$1,030,650

See accompanying notes to the basic financial statements

Martins Ferry City School District

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	$6,885,644	$6,407,229	$6,407,229	$0
Intergovernmental	12,202,964	11,661,032	11,711,032	50,000
Interest	105,000	95,467	109,028	13,561
Tuition and Fees	300,700	258,324	258,324	0
Rent and Royalties	176,000	171,366	171,366	0
Charges for Services	13,000	13,906	13,906	0
Miscellaneous	270,000	302,377	148,452	(153,925)
Total Revenues	19,953,308	18,909,701	18,819,337	(90,364)
Expenditures				
Current:				
Instruction:				
Regular	5,866,440	5,804,842	5,750,917	53,925
Special	2,059,272	2,059,272	2,009,271	50,001
Vocational	624,989	624,989	624,989	0
Student Intervention Services	200,717	200,717	200,717	0
Support Services:				
Pupil	1,073,214	1,073,214	1,073,214	0
Instructional Staff	507,488	507,488	507,488	0
Board of Education	261,800	261,800	261,800	0
Administration	1,665,421	1,665,421	1,665,421	0
Fiscal	552,949	552,949	552,949	0
Operation and Maintenance of Plant	1,781,424	1,781,424	1,781,424	0
Pupil Transportation	925,228	925,228	925,228	0
Central	120,320	120,320	120,320	0
Extracurricular Activities	575,192	575,219	559,293	15,926
Debt Service:				
Principal Retirement	125,555	121,000	121,000	0
Interest and Fiscal Charges	63,271	67,826	67,826	0
Total Expenditures	16,403,280	16,341,709	16,221,857	119,852
Excess of Revenues Over Expenditures	3,550,028	2,567,992	2,597,480	29,488
Other Financing Sources (Uses)				
Advances In	53,802	53,802	53,802	0
Transfers Out	(3,115,679)	(3,115,679)	(3,115,679)	0
Advances Out	(242,038)	(242,038)	(242,038)	0
Total Other Financing Sources (Uses)	(3,303,915)	(3,303,915)	(3,303,915)	0
Net Change in Fund Balance	246,113	(735,923)	(706,435)	29,488
Fund Balance Beginning of Year - Restated (Note 3)	8,217,962	8,217,962	8,217,962	0
Prior Year Encumbrances Appropriated	296,898	296,898	296,898	0
Fund Balance End of Year	$8,760,973	$7,778,937	$7,808,425	$29,488

See accompanying notes to the basic financial statements

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Total Revenues	$0	$0	$0	$0
Expenditures				
Current:				
Instruction:				
Regular	2,213,830	1,914,910	1,914,910	0
Special	1,121,391	969,977	969,977	0
Total Expenditures	3,335,221	2,884,887	2,884,887	0
Excess of Revenues Under Expenditures	(3,335,221)	(2,884,887)	(2,884,887)	0
Other Financing Sources				
Transfers In	3,378,923	2,884,887	2,884,887	0
Net Change in Fund Balance	43,702	0	0	0
Fund Balance Beginning of Year	0	0	0	0
Fund Balance End of Year	$43,702	$0	$0	$0

See accompanying notes to the basic financial statements

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The School District was established in 1853 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 12 square miles. It is located in Belmont County and includes all the city of Martins Ferry and portions of Pease and Colerain Townships. It is staffed by 54 non-certified employees, 105 certified full-time teaching personnel and 19 administrative employees, who provide services to 1,302 students and other community members. The School District currently operates 2 instructional/support buildings, 1 administrative building, and 1 bus garage facility.

Reporting Entity:

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

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

Parochial Schools – Within the School District boundaries, St. Mary’s Central Elementary School is operated through the Steubenville Catholic Diocese; Martins Ferry Christian School is operated as a private school. Current State legislation provides funding to these parochial schools. These monies are received and distributed on behalf of the parochial schools by the Treasurer of the School District, as directed by the parochial schools. The activity of these State monies by the School Districts is reflected in a special revenue fund for financial reporting purposes.

The School District participates in the Belmont-Harrison Vocational School District, and the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council), which are jointly governed organizations, the Ohio School Comp – OASBO/OSBA Workers’ Compensation Group Retrospective Rating Program (GRRP), the Ohio School Plan (OSP), and the Portage Area School Consortium (Consortium), which are defined as insurance purchasing pools. These organizations are presented in Notes 16 and 17.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-wide Financial Statements The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the School District that are governmental (primarily supported by taxes and intergovernmental revenues).

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

Fund Financial Statements During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type. The School District had no fiduciary fund activity during fiscal year 2023.

Fund Accounting

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

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 School District's major governmental funds are the General Fund, and Schoolwide Pool Fund and Debt Service Fund.

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

Schoolwide Pool Fund The Schoolwide Pool Fund is used to account for all financial resources required to operate the elementary school. The No Child Left Behind Act of 2001 provided the authority to pool all federal state and local funds necessary to upgrade the instructional program of school buildings where forty percent or greater of the student are from low-income families. The fund is utilized to pay all costs associated with operating the elementary school.

Debt Service Fund The Debt Service Fund accounts for and reports property tax revenues restricted for the payment of, general long-term debt principal and interest.

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

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

The School District’s fiduciary funds are custodial funds. Custodial funds are used to account for assets held by the School District as fiscal agent for locally hosted tournaments for the Ohio High School Athletic Association. The School District had no fiduciary activity to report in fiscal year 2023.

Measurement Focus

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

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

Like the government-wide statements, fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from investment trust, private purpose trust funds, and custodial 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 modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 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 and grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from 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, interest, tuition, grants, fees, and charges for services.

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental fund's balance sheet and represents receivables that will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants, and tuition and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12)

Expenses/Expenditures On the accrual basis, 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, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

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 Equity in Pooled Cash and Cash Equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

For fiscal year 2023, the School District’s investments were limited to money market mutual funds,. The money market mutual fund is measured at net asset value per share.

Following Ohio Statutes, the Board of Education has, by resolution, specified the fund to receive an allocation of interest earnings. Investment earnings credited to the General Fund during 2023 amounted to $109,028, which includes $6,252 assigned from other School District funds.

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other government or imposed by law through constitutional provisions or enabling legislation. Restricted assets in governmental funds represent unexpended revenues restricted for amounts in a debt service fiscal agent account restricted by debt covenants for future debt service payments.

Prepaid Items

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

Inventory

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

Capital Assets

All capital assets (except for intangible right-to-use subscription 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 back-trending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their acquisition values as of the date received. The 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.

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	Estimated Lives
Land	N/A
Construction in Progress	N/A
Land Improvements	5 - 50 Years
Buildings and Improvements	20 - 50 Years
Furniture and Equipment	5 - 20 Years
Vehicles	5 - 20 Years

The School District is reporting intangible right to use assets related to lease assets and subscription assets. The lease assets include equipment and represent nonfinancial assets which are being utilized for a period of time through leases from another entity. Subscription assets represent intangible right to use assets related to the use of another party's IT software.

Interfund Balances

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

Compensated Absences

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

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

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

On the government fund financial statements, sick leave benefits are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured severance payable" in the fund from which the employee will be paid.

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.

Accrued Liabilities and Long-Term Obligations

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

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

Unamortized Debt Insurance Premium, Discounts, Premiums, and Issuance Costs

On the government-wide financial statements, insurance premiums, premiums on issuance and discounts on issuance are amortized over the term of the bonds (or other debt instrument) using the straight line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. On the governmental fund financial statements debt insurance premiums, debt premiums, debt discounts and debt issuance costs are recognized in the period in which the debt is issued.

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

Bond issuance costs are expensed in the funds in the period the bonds are issued.

Internal Activity

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

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

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

Fund Balance

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

> ***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.
>
> ***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (School District resolutions).
>
> Enabling legislation authorizes the School District to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the School District can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specific by the legislation.
>
> ***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the School District Board of Education, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable.

Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. For fiscal year 2023, the School District has committed fund balances for termination benefits.

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education or a School District official delegated that authority by resolution or State statute. State statute authorizes the School District's Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The amount assigned in the General Fund represents capital projects, future appropriations, and purchases on order at fiscal year-end.

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

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which the amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between assets and liabilities. 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 either through enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources from local sources restricted to expenditures for student programs.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restricted net position for OPEB plans represents the corresponding restricted asset amounts after considering the related deferred outflows and deferred inflows.

Estimates

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

Budgetary Process

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds of the School District. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The treasurer is given the authority to further allocate fund appropriations within all funds. Advances in/out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

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

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

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

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLE, RESTATEMENT OF NET POSITION, AND RESTATEMENT OF BUDGET BASIS FUND BALANCE

Changes in Accounting Principle

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

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

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

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). These changes were incorporated in the School District's 2023 financial statements. The implementation resulted in a restatement of net position, as described later in this Note.

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

Restatement of Net Position

The School District restated its beginning net position for the implementation of GASB 96, as previously addressed. The School District made the entirety of its subscription payments, prior to the beginning of the subscription term, resulting in a non-depreciable subscription asset at June 30, 2022. The restatement had the following effect net position:

Net Position at June 30, 2022	$17,219,224
Restatement for Subscription Asset	25,887
Restated Net Position at June 30, 2022	$17,245,111

Restatement of Budget Basis Fund Balance

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

	General
Budget Basis Fund Balance at June 30, 2022	$8,309,076
Restatement	(91,114)
Restated Budget Basis Fund Balance at June 30, 2022	$8,217,962

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual presented for the General and Schoolwide Pool Special Revenue Funds are 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 basis) as opposed to when susceptible to accrual (GAAP basis).

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

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

4. Transfers in and transfers out that are balance sheet transactions (GAAP) as opposed to operating transfers (Budget), as well as the reclassification of revenue that is required to be transferred on a cash (budget basis), but is reported as revenue on the operating statement (GAAP basis).

5. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

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

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund and the Schoolwide Pool Special Revenue Fund.

Net Change in Fund Balance

	General	Schoolwide Pool
GAAP Basis	($538,965)	$0
Revenue Accruals	(140,031)	(486,300)
Advances In	53,802	0
Transfers In	0	383,463
Expenditure Accruals	349,804	102,837
Advances Out	(242,038)	0
Transfers Out	96,508	0
Encumbrances	(284,315)	0
Perspective Difference	(1,200)	0
Budget Basis	($706,435)	$0

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

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

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

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

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

7. 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.

<u>Deposits</u>

Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2023, $2,520,339 of the School District's total bank balance of $13,241,781 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the School District's financial institutions 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
Net Asset Value Per Share				
Money Market Mutual Fund	$547,193	Less than one year	AAAm	100.00%

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

At June 30, 2023, the School District had investments with fiscal and escrow agents for the debt service sinking escrow account held by a fiscal agent. See Note 15 for more information.

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

Credit Risk. The School District has no investment policy that addresses credit risk.

NOTE 6 - PROPERTY TAXES

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

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

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

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

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

The amount available as an advance at June 30, 2023, was $556,452 in the General Fund, $93,006 in the Debt Service Fund, $6,713 in the Classroom Maintenance Special Revenue Fund, and $20,139 in the Permanent Improvement Capital Projects Fund. The amount available as an advance at June 30, 2022, was $421,330 in the General Fund, $71,145 in the Debt Service Fund, $4,996 in the Classroom Maintenance Special Revenue Fund, and $14,990 in the Permanent Improvement Capital Projects Fund.

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

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

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential And Other Real Estate	$191,858,100	69.1%	$178,272,190	69.1%
Public Utility Personal	85,612,720	30.9%	79,816,130	30.9%
Total Assessed Values	$277,470,820	100.0%	$258,088,320	100.0%
Tax Rate per $1,000 of assessed valuation	$39.55		$39.55	

NOTE 7 - RECEIVABLES

Receivables at June 20, 2023, consisted primarily of property taxes, payments in lieu of taxes, intergovernmental receivables arising from entitlements and shared revenues, accrued interest on investments, and accounts (billings for service).

All receivables, except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	Amounts
Medicaid Reimbursement	$13,023
Title I-A Improve Basis Programs	56,253
Title II-A Supporting Effective Instruction	7,928
Title IV-A Student Support and Academic Enrichment	392
Early Childhood Education	14,100
ESSER II Grant	199,677
ARP ESSER III Grant	97,050
Excess Costs from Other School Districts	240,678
Total Intergovernmental Recievables	$629,101

NOTE 8 - INTERNAL BALANCES AND TRANSFERS

Interfund Balances

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

	Interfund Receivable		
Interfund Payable	General Fund	Schoolwide Pool Fund	Total
General Fund	$0	$353,257	$353,257
Other Nonmajor Governmental Funds	242,038	44,863	286,901
Total	$242,038	$398,120	$640,158

The balance due to the General Fund is for cash advances made to alleviate fund deficits until grant moneys are received to support the programs. The balance due to the Schoolwide Pool Special Revenue Fund from the General and Other Governmental Funds are for costs associated with the operation of the elementary school in accordance with the Schoolwide program that will be transferred as cash is needed to fund the program.

Transfers

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

	Transfer from
	General Fund
Transfer to	
Schoolwide Pool Fund	$2,501,424
Debt Service Fund	705,763
Other Nonmajor Governmental Funds	5,000
Total	$3,212,187

Transfers were used to move receipts from the General Fund to the Schoolwide Pool Special Revenue Fund in accordance with the schoolwide program. Transfers from the General Fund to the Debt Service Fund were for the annual debt service sinking payments to the QZAB debt service escrow account, as well as to provide for the annual debt service payments on the 2019 Certificates of Participation. Transfers from the General Fund to Other Nonmajor Governmental Funds were used to provide additional resources for student activities.

NOTE 9 - CAPITAL ASSETS

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

	Restated Balance 6/30/22	Additions	Deletions	Balance 6/30/23
Governmental Activities				
Nondepreciable Capital Assets				
Tangible Assets				
Land	$2,436,556	$0	$0	$2,436,556
Construction in Progress	780,190	0	(780,190)	0
Total Tangible Assets	3,216,746	0	(780,190)	2,436,556
Intangible Right to Use Subscription Assets				
Development in Progress	25,887	103,564	(25,887)	103,564
Total Non-Depreciable Capital Assets	3,242,633	103,564	(806,077)	2,540,120
Depreciable Capital Assets				
Tangible Assets				
Land Improvements	7,844,654	457,477	0	8,302,131
Buildings and Improvements	47,309,203	2,732,705	0	50,041,908
Furniture and Equipment	2,249,139	105,123	0	2,354,262
Vehicles	1,383,367	298,786	(164,313)	1,517,840
Total Tangible Assets	58,786,363	3,594,091	(164,313)	62,216,141
Intangible Right to Use Subscription Assets				
Intangible Right to Use - Digital Curriculum	0	25,887	0	25,887
Total Depreciable Capital Assets	58,786,363	3,619,978	(164,313)	62,242,028
Less Accumulated Depreciation/Amortization				
Depreciation				
Land Improvements	(3,051,170)	(288,002)	0	(3,339,172)
Buildings and Improvements	(15,283,887)	(1,430,266)	0	(16,714,153)
Furniture and Equipment	(2,107,289)	(23,134)	0	(2,130,423)
Vehicles	(984,965)	(86,570)	164,313	(907,222)
Total Depreciation	(21,427,311)	(1,827,972)	164,313	(23,090,970)
Amortization				
Intangible Right to Use Subscription Assets				
Intangible Right to Use - Digital Curriculum	0	(4,315)	0	(4,315)
Total Intangible Right to Use Assets	0	(4,315)	0	(4,315)
Total Accumulated Depreciation/Amortization	(21,427,311)	(1,832,287)	164,313	(23,095,285)
Total Depreciable Capital Assets, Net	37,359,052	1,787,691	0	39,146,743
Governmental Activities Capital Assets, Net	$40,601,685	$1,891,255	($806,077)	$41,686,863

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

	Depreciation	Amortization	Total
Instruction:			
Regular	$744,024	$4,315	$748,339
Special	186,414	0	186,414
Vocational	10,528	0	10,528
Support Services:		0	
Pupil	27,683	0	27,683
Instructional Staff	92,275	0	92,275
Administration	120,057	0	120,057
Fiscal	18,455	0	18,455
Operation and Maintenance of Plant	221,472	0	221,472
Pupil Transportation	154,334	0	154,334
Food Service Operations	122,593	0	122,593
Extracurricular Activities	130,137	0	130,137
Total	$1,827,972	$4,315	$1,832,287

NOTE 10 - RISK MANAGEMENT

Property, Fleet and Liability Insurance

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

Property:	
Building and Contents - replacement cost ($1,000 Deductible)	$71,432,817
Commercial Auto Coverage:	
Auto Liability-Combined Single Limit	3,000,000
Uninsured Motorists	1,000,000
Medical Payments	5,000
Comprehensive	1,000 deductible
Collision	1,000 deductible
Commercial Crime:	
Employee Theft - Per Employee ($1,000 Deductible)	1,000,000
Forgery or Alteration - Per Occurance ($1,000 Deductible)	25,000
Inside / Outside the Premises - Theft ($1,000 Deductible)	10,000

Educational General Liability:	
Bodily Injury and Property Damage - Each Occurrence and Sexual Abuse Injury Limit - Each Sexual Abuse Offense	$3,000,000
Personal and Advertising Injury - Each Offense Limit	3,000,000
Fire Damage - Any One Event Limit	500,000
Medical Expense - Any One Person Limit	10,000
Each Accident Limit	10,000
General Aggregate Limit	5,000,000
Products-Completed Operations Aggregate Limit	3,000,000
Employers Liability - Stop Gap - Occurrence:	
Bodily Injury by Accident - Each Accident Limit	3,000,000
Bodily Injury by Disease - Endorsement Limit	3,000,000
Bodily Injury by Disease - Each Employee Limit	3,000,000
Employee Benefits Liability - Claims Made:	
Each Offense Limit	3,000,000
Aggregate Limit	5,000,000
Educational Legal Liability - Claims Made:	
Errors and Omissions Injury Limit ($2,500 Deductible)	3,000,000
Errors and Omissions Injury Aggregate Limit	5,000,000

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

Flood Insurance

The School District contracted with Hartford Insurance Company of the Midwest for flood coverage. The School District's flood insurance includes $158,000 on buildings and $17,000 on contents at the football facility with $5,000 deductible on each, $63,000 with $5,000 deductible for the restrooms and ticket booth, and $19,000 with $5,000 deductible for the concession stand.

Worker's Compensation

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

Employee Benefits

Medical/surgical and prescription drug insurance is offered to all employees through the Portage Area Schools Consortium (Consortium) for health insurance for the School District's employees. The Consortium was established in 1981 so that thirteen educational-service providers in Portage County could manage risk exposures and purchase necessary insurance coverage as a group. The Consortium currently has 20 members. The Consortium has organized into two distinct entities to facilitate its risk management operations. The Portage Area Schools Consortium Property and Casualty Insurance Pool functions to manage the School District's physical property and liability risk. The Portage Area Schools Consortium

Health and Welfare Trust is organized under provisions of Section 501 (c) (9) of the Internal Revenue Code. Its purpose is to facilitate the management of risks associated with providing employee benefits, coverage such as health and accident insurance, disability insurance and life insurance. The School District participates in the Portage Area Schools Consortium Health and Welfare Trust. A third-party administrator is retained by the consortium to facilitate the operation of the Portage Area Schools Consortium Health and Welfare Trust. The School District pays all insurance premiums directly to the Consortium; one of its administrators serves as a trustee of the consortium's governing board as provided in the Consortium's enabling authority. The School District recognizes that it retains a contingent liability to provide insurance coverage should the assets of the Consortium become depleted.

During fiscal year 2023, the School District provided medical/surgical and prescription drug coverage for all eligible employees through the Portage Area School Consortium. The medical/surgical coverage is based on a usual, customary, and reasonable claim plan, carried through United Healthcare with a premium rate of $2,651.61 for a family plan and $1,060.64 for a single plan. The Board pays 92.5 percent of the premiums for certified staff. The Board pays 92.5 percent of the premiums for classified staff, hired prior to July 1, 2014 who work 35 – 40 hours per week. The Board pays 90 percent of the premiums for classified staff, hired after July 1, 2014 who work 35 – 40 hours per week. Employees who work less than a 35 hour work week, receive a benefit where, the Board's share of the premium is calculated on a declining scale.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability (Assets)

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Age 65 with 5 years sof service credit; or 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 $353,651 for fiscal year 2023.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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

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 $1,212,256 for fiscal year 2023. Of this amount $120,236 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	0.06342720%	0.06298970%	
Prior Measurement Date	0.06503260%	0.06326504%	
Change in Proportionate Share	-0.00160540%	-0.00027534%	
Proportionate Share of the Net Pension Liability	$3,430,637	$14,002,690	$17,433,327
Pension Expense	$320,739	$1,819,952	$2,140,691

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	$138,944	$179,253	$318,197
Changes of assumptions	33,850	1,675,701	1,709,551
Net difference between projected and actual earnings on pension plan investments	0	487,263	487,263
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	79,188	430,797	509,985
School District contributions subsequent to the measurement date	353,651	1,212,256	1,565,907
Total Deferred Outflows of Resources	$605,633	$3,985,270	$4,590,903
Deferred Inflows of Resources			
Differences between expected and actual experience	$22,521	$53,565	$76,086
Changes of assumptions	0	1,261,321	$1,261,321
Net difference between projected and actual earnings on pension plan investments	119,713	0	119,713
Changes in proportionate share and Difference between School District contributions and proportionate share of contributions	60,294	95,195	155,489
Total Deferred Inflows of Resources	$202,528	$1,410,081	$1,612,609

$1,565,907 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	$62,769	$213,275	$276,044
2025	(41,246)	89,590	48,344
2026	(171,014)	(360,032)	(531,046)
2027	198,945	1,420,100	1,619,045
Total	$49,454	$1,362,933	$1,412,387

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$5,049,733	$3,430,637	$2,066,569

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 8.5 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	$21,152,966	$14,002,690	$7,955,769

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2023, three Board Members have elected Social Security. The contribution rate is 6.2 percent of wages.

NOTE 12 - DEFINED BENEFIT OPEB PLANS

See note 11 for a description of the net OPEB Liability (Asset).

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the School District's surcharge obligation was $45,741.

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 $45,741 for fiscal year 2023. Of this amount $45,741 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.06440810%	0.06298970%	
Prior Measurement Date	0.06637960%	0.06326504%	
Change in Proportionate Share	-0.00197150%	-0.00027534%	
Proportionate Share of the:			
Net OPEB Liability	$904,297	$0	$904,297
Net OPEB (Asset)	$0	($1,631,013)	($1,631,013)
OPEB Expense	($18,002)	($277,479)	($295,481)

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	$7,602	$23,644	$31,246
Changes of assumptions	143,839	69,476	213,315
Net difference between projected and actual earnings on OPEB plan investments	4,700	28,392	33,092
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	187,064	26,440	213,504
School District contributions subsequent to the measurement date	45,741	0	45,741
Total Deferred Outflows of Resources	$388,946	$147,952	$536,898
Deferred Inflows of Resources			
Differences between expected and actual experience	$578,454	$244,947	$823,401
Changes of assumptions	371,221	1,156,545	1,527,766
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	88,176	0	88,176
Total Deferred Inflows of Resources	$1,037,851	$1,401,492	$2,439,343

$45,741 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	($138,104)	($357,646)	($495,750)
2025	(151,120)	(362,750)	(513,870)
2026	(134,592)	(172,975)	(307,567)
2027	(81,093)	(72,005)	(153,098)
2028	(64,944)	(95,169)	(160,113)
Thereafter	(124,803)	(192,995)	(317,798)
Total	($694,656)	($1,253,540)	($1,948,196)

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

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

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

The most recent experience study was completed for the five year period ended June 30, 2020.
The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

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

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

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
School District's proportionate share of the net OPEB liability	$1,123,150	$904,297	$727,622

	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	$697,375	$904,297	$1,174,570

Actuarial Assumptions – STRS

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

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

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

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

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

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

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

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

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using 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	($1,507,829)	($1,631,013)	($1,736,531)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	($1,691,757)	($1,631,013)	($1,554,338)

NOTE 13 - OTHER EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Current policy permits vacation leave to be accumulated up to one year. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave up to maximum of 55 days for all employees.

Other Insurances

The School District provides dental insurance to all employees through Coresource Inc., which is 100 percent Board paid for the certified employees and on a declining scale paid by the Board for the non-certificated employees at a premium of $85.62. Life insurance is provided by Grady Enterprises in the amount of $50,000 for superintendent, $50,000 for the treasurer, $25,000 for certified and administrative employees and $20,000 for the classified employees. The Board pays 100 percent of the monthly premium of $2.50 for certified and administrative employees and 100 percent of the monthly premium of $2.00 for non-certified employees. Vision insurance is provided through Vision Benefits of America which is 100 percent Board paid for the certified employees and on a declining scale paid by the Board for the non-certificated employees at a premium of $9.79 for a single plan and $27.19 for a family plan.

NOTE 14 – COMMITMENTS

Encumbrances

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

General	$284,315
Other Non-Major Governmental Funds	319,176
Total	$603,491

NOTE 15 - LONG - TERM OBLIGATIONS

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

	Principal Outstanding 6/30/22	Additions	Deductions	Principal Outstanding 6/30/23	Amounts Due In One Year
General Obligation Bonds:					
2019 Refunding Bonds					
Serial Bonds,					
$6,190,000 @ 2.375%-4.0%	$6,835,000	$0	$495,000	$6,340,000	$510,000
Premium, $456,402	350,451	0	32,600	317,851	0
Total 2019 Bonds	7,185,451	0	527,600	6,657,851	510,000
Direct Borrowing and Direct Placement Bonds:					
2016 Qualified Zone Academy Bonds (QZAB)					
$1,500,000 @ 0%	1,500,000	0	0	1,500,000	0
Total General Obligation Bonds	8,685,451	0	527,600	8,157,851	510,000
2019 Certificates of Participation (COPS)					
Serial/Term					
$11,000,000 @ 3.625%-5.00%	10,475,000	0	210,000	10,265,000	215,000
Premium	291,846	0	11,013	280,833	0
Total Certificates of Participation	10,766,846	0	221,013	10,545,833	215,000
Financed Purchases	1,319,000	0	121,000	1,198,000	126,000
Net Pension Liability					
SERS	2,399,515	1,031,122	0	3,430,637	0
STRS	8,089,004	5,913,686	0	14,002,690	0
Total Net Pension Liability	10,488,519	6,944,808	0	17,433,327	0
Net OPEB Liability					
SERS	1,256,290	0	351,993	904,297	0
Compensated Absences	1,236,850	834,210	678,617	1,392,443	41,584
Total General Long-Term Obligations	$33,752,956	$7,779,018	$1,900,223	$39,631,751	$892,584

2019 General Obligation Refunding Bonds – On March 13, 2019, the School District issued $6,910,000 of general obligation serial bonds. The bonds were issued to partially refund the 2012 Refunding Bonds, as well as pay the cost of issuance of these bonds. The $6,910,000 of the 2019 bond issue, were used to refund $7,115,000 of Serial Bonds. The refunding bond proceeds were deposited in an irrevocable trust fund with The Huntington National Bank, as escrow trustee, in accordance with the terms of an escrow agreement. The escrow trustee purchased non-callable direct obligations of the United States of America that matured or were subject to redemption in amounts sufficient to defease the refunded bonds when they were called for redemption on June 1, 2019. The 2019 School Improvement Bonds were issued for a 14 year period with final maturity at December 1, 2032. The issue resulted in a refunding difference of $108,669 that was amortized over a four year period ending in fiscal year 2022.

As part of the refunding bond issuance, the School District, pursuant to Section 3317.18, Ohio Revised Code, and Section 3301-8-01, Ohio Administrative Code, participated in the Ohio Credit Enhancement Program, and was assigned a rating of Aa2 from Moody's Investors Service for the bond issuance. In the event the School District is unable to make sufficient debt service payments and the payment will not be made by a credit enhancement facility, the department of education will make the sufficient payment.

Principal and interest requirements to retire the 2019 Refunding Bonds outstanding at June 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total
2024	$510,000	$203,781	$713,781
2025	515,000	191,609	706,609
2026	560,000	178,844	738,844
2027	575,000	160,694	735,694
2028	600,000	141,694	741,694
2029-2033	3,580,000	368,297	3,948,297
Totals	$6,340,000	$1,244,919	$7,584,919

2016 Qualified Zone Academy Bonds – On October 1, 2015, the School District issued $1,500,000 qualified zone academy bonds (QZAB), in accordance with Section 226 of the Taxpayer Relief Act of 1997 (Public Law 105-34), to be used to fund energy saving projects throughout the School District and the to create a STEM Academy. The QZAB matures in 2035, with the entire principal balance coming due at maturity. The QZAB does not bear interest. As part of the issuance, the School District is required to place $75,000 of base lease payments, annually, beginning on June 1, 2016, into a debt service sinking escrow account held by a fiscal agent. The base lease payments will be invested, and the balance in the account will be used for the final bond repayment in 2035. The value of the fiscal agent account is recorded as restricted investments with fiscal agents in the debt service fund. These bonds, from direct placements, include provisions in the event of default that the bank may (1) terminate the lease and take possession of the property, (2) sell or lease or sublease its interest in the property while holding the School District liable for all base lease payments due during the then-current term, (3) direct the School District to pay all amounts on deposit in the sinking escrow fund, or (4) exercise any other means under appropriate statute or court order to enforce the terms.

2019 Certificates of Participation - On March 20, 2019, the School District issued $11,000,000 in Certificates of Participation (COPs) which include serial and term certificated in the amount of $3,785,000 and $7,215,000, for the purpose of a roof replacement, a floor repair, and a hill slip. The COPs issuance included a premium of $330,392, and an insurance premiums of $63,837 which are amortized over the life of the COPs. The amortization of the premium and the insurance premium amounted to $11,013 and $2,128, respectively during the fiscal year. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be “qualified tax exempt obligations" within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Ohio School Building Leasing Corporation, and then subleased back to the School District. The COPs were issued through a series of annual leases with an initial lease term expiring June 30, 2019 which includes the right to renew for 30 successive one-year terms through December 1, 2048 subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component ranging from 3.625 to 5.00 percent. The School District has the option to purchase the project facilities on any lease payment date by paying the amount necessary to defease the indenture.

The Certificates maturing on or after December 1, 2024 are subject to redemption at the option of the Trustee, under the direction of the School District, either in whole or in part, in such order as the Trustee shall determine under the direction of the School District, on any date on or after June 1, 2024, at a redemption price equal to 100 percent of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption.

The Term Certificates maturing on December 1, 2036 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2034	$365,000
2035	380,000

The remaining principal amount of such Term Certificates ($395,000) will be paid at stated maturity on December 1, 2036.

The Term Certificates maturing on December 1, 2038 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2037	$415,000

The remaining principal amount of such Term Certificates ($430,000) will be paid at stated maturity on December 1, 2038.

The Term Certificates maturing on December 1, 2043 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2039	$445,000
2040	460,000
2041	475,000
2042	490,000

The remaining principal amount of such Term Certificates ($510,000) will be paid at stated maturity on December 1, 2043.

The Term Certificates maturing on December 1, 2048 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
2044	$530,000
2045	550,000
2046	570,000
2047	590,000

The remaining principal amount of such Term Certificates ($610,000) will be paid at stated maturity on December 1, 2048.

Principal and interest requirements to retire the 2022 Certificates of Participation outstanding at June 30, 2023 are as follows:

	Serial and Term Certificates		
Fiscal Year	Principal	Interest	Total
2024	$215,000	$410,813	$625,813
2025	225,000	400,888	625,888
2026	235,000	389,388	624,388
2027	250,000	377,263	627,263
2028	260,000	364,513	624,513
2029-2033	1,515,000	1,607,940	3,122,940
2034-2038	1,905,000	1,212,502	3,117,502
2039-2043	2,300,000	822,607	3,122,607
2044-2048	2,750,000	367,030	3,117,030
2049	610,000	11,056	621,056
Totals	$10,265,000	$5,964,000	$16,229,000

During fiscal year 2005, the School District entered into a financed purchase contract to finance the construction of a new grandstand facility at the stadium. The financed purchase arrangement is through the OASBO Expanded Asset Pooled Financing Program with the Columbus Regional Airport Authority as the financier. During fiscal year 2008, the School District entered into two additional financed purchases through the OASBO Expanded Asset Pooled Financing Program with the Columbus Regional Airport Authority to finance additional project costs associated with the classroom facilities project. Financed purchases will be paid from the General Fund.

Future minimum payments through 2032 are as follows:

Fiscal Year Ending	Principal	Interest and Fiscal Charges	Total
2024	$126,000	$59,207	$185,207
2025	133,000	52,921	185,921
2026	139,000	46,315	185,315
2027	146,000	39,367	185,367
2028	152,000	32,096	184,096
2029-2032	502,000	65,444	567,444
Total	$1,198,000	$295,350	$1,493,350

The School District's overall legal debt margin was $20,557,030, with an unvoted debt margin of $258,088 at June 30, 2023.

Compensated absences will be paid from the General Fund.

There is no repayment schedule for the net pension liability or the net OPEB liability. However, employer pension contributions are made from the following funds: General Fund, Miscellaneous State Grant, Schoolwide Pool, and the Food Service Special Revenue Funds. For additional information related to the net pension/OPEB liability, See Note 11 and Note 12.

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

Belmont-Harrison Vocational School District – The Belmont-Harrison Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating school district's elected boards, which possesses its own budgeting and taxing authority. During fiscal year 2023, the School District made no contributions to the Belmont-Harrison Vocational School District. To obtain financial information write to the Belmont-Harrison Vocational School, Mark Lucas, who serves as Treasurer, at 68090 Hammond Road, St. Clairsville, Ohio 43950.

Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council) – The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council). The Council was created as a separate regional council of governments pursuant to State Statutes. The Council operates under the direction of a Board comprised of a representative from each participating school district. The Board exercised total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the Board. The Council provides information technology and internet access to member districts, as well as cooperative purchasing programs. During fiscal year 2023, the total amount paid to the Council from the School District was $26,337 for technology services and $49,276 for financial accounting services and educational management information. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency, Treasurer, at 2023 Sunset Blvd., Steubenville, Ohio 43952.

NOTE 17 - INSURANCE PURCHASING POOL

Ohio School Comp - OASBO/OSBA Workers' Compensation Group Retrospective Rating Program (GRRP) - The School District participates in the Ohio School Comp – OASBO/OSBA Workers' Compensation Group Retrospective Rating Program (GRRP), an insurance purchasing pool. The GRRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRRP to cover the costs of administering the program.

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

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

NOTE 18 - SET-ASIDE CALCULATIONS AND FUND RESTRICTIONS

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

Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

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

	Capital Improvements
Set-aside Restricted Balance as of June 30, 2022	$0
Current Year Set-aside Requirement	301,550
Current Year Offsetting Revenue	(341,347)
Current Year Qualifying Expenditures	(189,741)
Totals	($229,538)
Balance Carried Forward to Fiscal Year 2024	$0
Set-aside Restricted Balance as of June 30, 2023	$0

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

NOTE 19 - CONTINGENCIES

Grants

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

Litigation

The School District is currently not party to legal proceedings.

Oil/Gas Leases

As of June 30, 2023, the School District does not have any oil and gas leases.

Royalties are paid for all oil and other liquid hydrocarbons and by-products produced and saved from the land, and all gas and other hydrocarbons and by-products. As of the date of the financial statements, the full value of any royalties cannot be determined.

The total carrying value of the land leased is $2,436,556.

NOTE 20 - ACCOUNTABILITY

At June 30, 2023, the School District had the following fund balance deficits:

Elementary and Secondary School Emergency Relief Fund	$6,651

This deficit is 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 21 - COVID-19

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

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Martins Ferry City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
*Last Ten Fiscal Years (1)**

	2023	2022	2021	2020	2019
School District's Proportion of the Net Pension Liability	0.063427200%	0.065032600%	0.059402700%	0.056330400%	0.058897300%
School District's Proportionate Share of the Net Pension Liability	$3,430,637	$2,399,515	$3,929,019	$3,370,347	$3,373,159
School District's Covered Payroll	$2,369,364	$2,244,757	$2,082,521	$1,932,452	$1,895,467
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	144.79%	106.89%	188.67%	174.41%	177.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%	71.36%

* 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 required supplementary information

2018	2017	2016	2015	2014
0.053141300%	0.051028800%	0.049871800%	0.051401000%	0.051401000%
$3,175,077	$3,734,837	$2,845,733	$2,601,375	$3,056,653
$1,736,929	$1,574,150	$1,486,768	$1,490,339	$1,414,246
182.80%	237.26%	191.40%	174.55%	216.13%
69.50%	62.98%	69.16%	71.70%	65.52%

Martins Ferry City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
*Last Ten Fiscal Years (1)**

	2023	2022	2021	2020	2019
School District's Proportion of the Net Pension Liability	0.062989700%	0.063265043%	0.061816330%	0.058921630%	0.057689990%
School District's Proportionate Share of the Net Pension Liability	$14,002,690	$8,089,004	$14,957,352	$13,030,164	$12,684,734
School District's Covered Payroll	$8,179,871	$7,838,007	$7,435,800	$6,955,650	$6,217,636
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	171.18%	103.20%	201.15%	187.33%	204.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.80%	87.80%	75.50%	77.40%	77.30%

* 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 required supplementary information

2018	2017	2016	2015	2014
0.056967560%	0.055554340%	0.055288920%	0.056127050%	0.056127050%
$13,532,767	$18,595,712	$15,280,240	$13,652,041	$16,262,221
$6,663,364	$5,871,371	$5,598,221	$5,717,062	$5,659,300
203.09%	316.72%	272.95%	238.79%	287.35%
75.30%	66.80%	72.10%	74.70%	69.30%

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

	2023	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.06440810%	0.06637960%	0.06100060%	0.05746660%	0.05949410%	0.05348710%	0.05128580%
School District's Proportionate Share of the Net OPEB Liability	$904,297	$1,256,290	$1,325,744	$1,445,165	$1,650,526	$1,435,453	$1,461,835
School District's Covered Payroll	$2,369,364	$2,244,757	$2,082,521	$1,932,452	$1,895,467	$1,736,929	$1,574,150
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	38.17%	55.97%	63.66%	74.78%	87.08%	82.64%	92.87%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

(1) Although this schedule is intended to reflect information for ten years, the 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 required supplementary information

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

	2023	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB (Asset) Liability	0.062989700%	0.063265043%	0.061863300%	0.058921630%	0.057689990%	0.056967560%	0.055554340%
School District's Proportionate Share of the Net OPEB (Asset) Liability	($1,631,013)	($1,333,891)	($1,086,421)	($975,883)	($927,019)	$2,222,664	$2,971,061
School District's Covered Payroll	$8,179,871	$7,838,007	$7,435,800	$6,955,650	$6,217,636	$6,663,364	$5,871,371
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-19.94%	-17.02%	-14.61%	-14.03%	-14.91%	33.36%	50.60%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	230.70%	174.70%	182.10%	174.70%	176.00%	47.10%	37.30%

(1) Although this schedule is intended to reflect information for ten years, the 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 required supplementary information

Martins Ferry City 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	$353,651	$331,711	$314,266	$291,553
Contributions in Relation to the Contractually Required Contribution	(353,651)	(331,711)	(314,266)	(291,553)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$2,526,079	$2,369,364	$2,244,757	$2,082,521
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution (2)	$45,741	$39,777	$39,515	$36,154
Contributions in Relation to the Contractually Required Contribution	(45,741)	(39,777)	(39,515)	(36,154)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	1.81%	1.68%	1.76%	1.74%
Total Contributions as a Percentage of Covered Payroll (2)	15.81%	15.68%	15.76%	15.74%

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

See accompanying notes to required supplementary information

2019	2018	2017	2016	2015	2014
$260,881	$255,888	$243,170	$220,381	$195,956	$206,561
(260,881)	(255,888)	(243,170)	(220,381)	(195,956)	(206,561)
$0	$0	$0	$0	$0	$0
$1,932,452	$1,895,467	$1,736,929	$1,574,150	$1,486,768	$1,490,339
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%
$43,515	$40,476	$27,121	$24,122	$36,499	$25,919
(43,515)	(40,476)	(27,121)	(24,122)	(36,499)	(25,919)
$0	$0	$0	$0	$0	$0
2.25%	2.14%	1.56%	1.53%	2.45%	1.74%
15.75%	15.64%	15.56%	15.53%	15.63%	15.60%

Martins Ferry City 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	$1,212,256	$1,145,182	$1,097,321	$1,041,012
Contributions in Relation to the Contractually Required Contribution	(1,212,256)	(1,145,182)	(1,097,321)	(1,041,012)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$8,658,971	$8,179,871	$7,838,007	$7,435,800
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

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

See accompanying notes to required supplementary information

2019	2018	2017	2016	2015	2014
$973,791	$870,469	$932,871	$821,992	$783,751	$743,218
(973,791)	(870,469)	(932,871)	(821,992)	(783,751)	(743,218)
$0	$0	$0	$0	$0	$0
$6,955,650	$6,217,636	$6,663,364	$5,871,371	$5,598,221	$5,717,062
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%
$0	$0	$0	$0	$0	$57,171
0	0	0	0	0	(57,171)
$0	$0	$0	$0	$0	$0
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

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

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

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

Beginning in 2022, amounts reported use mortality rates based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members 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 as follows:

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

Beginning with fiscal year 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 Pension

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

Net OPEB Liability

Changes in Assumptions – SERS

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

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

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

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

Changes in Assumptions – STRS

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

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

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

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

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

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

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

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MARTINS FERRY CITY SCHOOL DISTRICT
BELMONT COUNTY

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

FEDERAL GRANTOR/ ***Pass-Through Grantor*** **Program Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Provided Through to Subrecipients**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE				
Passed-Through Ohio Department of Education & Workforce:				
Child Nutrition Cluster:				
Non-Cash Assistance:				
National School Lunch Program - Food Donation	10.555	N/A	$0	$38,580
Cash Assistance:				
School Breakfast Program	10.553	2023	0	121,115
National School Lunch Program	10.555	2023	0	230,153
National School Lunch Program - COVID-19	10.555	2023	0	37,475
Cash Assistance Total			0	388,743
Total Child Nutrition Cluster				427,323
State Pandemic Electronic Benefit Transfer Administrative Cost	10.649	2023	0	628
Total U.S. Department of Agriculture			0	427,951
U.S. DEPARTMENT OF TREASURY				
Passed Through Ohio Office of Budget and Management				
American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Fund (SFRF)				
K-12 School Safety Grant Program	21.027	SLFRP0130	0	83,282
Total U.S. Department of Treasury			0	83,282
U.S. DEPARTMENT OF EDUCATION				
Passed-Through Ohio Department of Education & Workforce:				
Title I Grants to Local Educational Agencies	84.010A	2022	0	38,934
	84.010A	2023	0	393,173
Expanding Opportunities for Each Child Non-Competitive Grant	84.010A	2023	0	7,305
Title I Noncompetitive Supplemental School Improvement	84.010A	2022	0	2,403
	84.010A	2023	0	7,933
Total Title I Grants to Local Educational Agencies			0	449,748
Special Education Cluster (IDEA)				
Special Education-Grants to States (IDEA, Part B)	84.027A	2023	0	387,024
ARP IDEA Part B Special Education	84.027X	2023	0	7,842
Special Education-Grants to States (IDEA, Part B) Subtotal			0	394,866
Passed through East Central Ohio Educational Service Center				
Special Education-Preschool Grants (IDEA Preschool)	84.173A	2023	3,068	3,068
Total Special Education Cluster (IDEA)			3,068	397,934
Supporting Effective Instruction State Grants	84.367A	2022	0	5,168
		2023	0	58,291
Total Supporting Effective Instruction State Grants			0	63,459
Title IV, Part A Student Support and Academic Enrichment Grant	84.424A	2023	0	29,432
Total Title IV, Part A Student Support and Academic Enrichment Grant			0	29,432
Education Stabilization Fund:				
Elementary and Secondary Emergency Relief (ESSER II)	84.425D	2022	0	95,136
Elementary and Secondary Emergency Relief (ESSER II)	84.425D	2023	0	304,416
American Rescue Plan Elementary and Secondary Emergency Relief (ARP ESSER III)	84.425U	2022	0	1,099,601
American Rescue Plan Elementary and Secondary Emergency Relief (ARP ESSER III)	84.425U	2023	0	1,399,587
American Rescue Plan Elementary and Secondary Emergency Relief - Homeless Children and Youth (ARP Targeted Support)	84.425W	2023	0	16,500
Total Elementary and Secondary School Emergency Relief Fund				2,915,240
Total U.S. Department of Education			0	3,855,813
Total Expenditures of Federal Awards			**$3,068**	**$4,367,046**

The accompanying notes are an integral part of the Schedule.

MARTINS FERRY CITY SCHOOL DISTRICT
BELMONT COUNTY

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – 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 Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

The School District passes certain federal awards received from the Ohio Department of Education to other governments (subrecipients). As Note B describes, the School District reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the School District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award’s performance goals.

NOTE E - CHILD NUTRITION CLUSTER

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

NOTE F – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE
KEITH FABER

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

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

Martins Ferry City School District
Belmont County
5001 Ayers Limestone Road
Martins Ferry, Ohio 43935

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Martins Ferry City School District, Belmont County, Ohio (the School District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated March 18, 2024.

Report on Internal Control Over Financial Reporting

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School 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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

March 18, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

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

Martins Ferry City School District
Belmont County
5001 Ayers Limestone Road
Martins Ferry, Ohio 43935

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Martins Ferry City School District's, Belmont County, Ohio (the School District), compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Martins Ferry City School District's major federal program for the year ended June 30, 2023. Martins Ferry City School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

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

Basis for Opinion on the Major Federal Program

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

We are required to be independent of the 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 the major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 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 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 this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

March 18, 2024

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MARTINS FERRY CITY SCHOOL DISTRICT
BELMONT COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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MARTINS FERRY CITY SCHOOL DISTRICT
TREASURER'S OFFICE
5001 Ayers Limestone Rd
Martins Ferry OH 43935
Phone: 740-633-1732
Fax: 740-633-5666

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
June 30, 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	Finding for Recovery against Dana Garrison for overpayment of wages.	Corrective Action Taken and Finding is Fully Corrected	
2022-002	Property Tax Deferred Inflows were understated, and Property Tax Revenue was overstated in the Debt Service and Permanent Improvement Funds.	Corrective Action Taken and Finding is Fully Corrected	

OHIO AUDITOR OF STATE
KEITH FABER

MARTINS FERRY CITY SCHOOL DISTRICT

BELMONT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/28/2024

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