



OHIO AUDITOR OF STATE  
**KEITH FABER**





**BELLAIRE LOCAL SCHOOL DISTRICT  
BELMONT COUNTY  
JUNE 30, 2022**

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BELMONT COUNTY  
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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Bellaire Local School District  
Belmont County  
340 34<sup>th</sup> Street  
Bellaire, Ohio 43906

To the Board of Education:

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bellaire Local School District, Belmont County, Ohio (School District), as of and for the year ended June 30, 2022, 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 Bellaire Local School District, Belmont County, Ohio as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Schoolwide Pool and Elementary and Secondary Emergency Relief (ESSER) 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.

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### ***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 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 2, 2023, 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 2, 2023

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**Bellaire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*Unaudited*

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The discussion and analysis of Bellaire Local 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, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and the notes to the financial statements to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

Key financial highlights for fiscal year 2022 are as follows:

- Net position increased \$6,030,741.
- General revenues accounted for \$16,108,917 in revenue or approximately 69 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 \$7,094,657 or approximately 31 percent of total revenues of \$23,203,574.
- Total assets of governmental activities increased \$6,249,656, primarily due to increases in current and other assets and capital assets. Total liabilities of governmental activities decreased by \$5,768,294, primarily due to decreases in the net pension liability.
- The School District had \$17,172,833 in expenses related to governmental activities; only \$7,094,657 of these expenses were offset by program specific charges for services and sales, operating grants and contributions, and capital grants and contributions. General revenues of \$16,108,917 were adequate to provide for these programs.
- Total Governmental Funds had \$23,059,055 in revenues and \$22,300,302 in expenditures. Overall, including other financing sources and uses, total governmental fund balances increased \$758,753.

### **Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand Bellaire Local 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 concerns.

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

**Bellaire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*Unaudited*

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

### *Statement of Net Position and the Statement of Activities*

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting accounts for 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 whether, for the School District as a whole, the *financial position* of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, 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 major 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 multitude 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 and the Elementary and Secondary School Emergency Relief (ESSER) Special Revenue Funds, and the Permanent Improvement Capital Projects Fund.

**Governmental Funds** Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at 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 government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

## **Reporting the School District's Fiduciary Responsibilities**

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

**Bellaire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*Unaudited*

**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, presented as follows, provides a summary of the School District's net position for fiscal year 2022 compared to fiscal year 2021.

**Table 1**  
**Net Position**

|   | 2022                | 2021                | Change             |
|---|---------------------|---------------------|--------------------|
| <b>Assets</b>                               |                     |                     |                    |
| Current and Other Assets                    | \$39,684,495        | \$37,616,888        | \$2,067,607        |
| Net OPEB Assets                             | 837,740             | 669,504             | 168,236            |
| Capital Assets                              | 21,186,026          | 17,172,213          | 4,013,813          |
| <i>Total Assets</i>                         | <u>61,708,261</u>   | <u>55,458,605</u>   | <u>6,249,656</u>   |
| <b>Deferred Outflows of Resources</b>       |                     |                     |                    |
| Pension                                     | 3,665,038           | 2,926,426           | 738,612            |
| OPEB  | 712,726             | 593,232             | 119,494            |
| <i>Total Deferred Outflows of Resources</i> | <u>4,377,764</u>    | <u>3,519,658</u>    | <u>858,106</u>     |
| <b>Liabilities</b>                          |                     |                     |                    |
| Current and Other Liabilities               | 2,315,851           | 2,402,004           | (86,153)           |
| Long-Term Liabilities:                      |                     |                     |                    |
| Due Within One Year                         | 103,679             | 142,434             | (38,755)           |
| Due in More Than One Year:                  |                     |                     |                    |
| Net Pension Liability                       | 7,661,115           | 13,314,467          | (5,653,352)        |
| Net OPEB Liability                          | 1,352,737           | 1,368,954           | (16,217)           |
| Other Amounts                               | 6,897,906           | 6,871,723           | 26,183             |
| <i>Total Liabilities</i>                    | <u>18,331,288</u>   | <u>24,099,582</u>   | <u>(5,768,294)</u> |
| <b>Deferred Inflows of Resources</b>        |                     |                     |                    |
| Property Taxes                              | 7,587,219           | 6,368,547           | 1,218,672          |
| Pension                                     | 5,806,198           | 403,706             | 5,402,492          |
| OPEB  | 1,884,241           | 1,660,090           | 224,151            |
| <i>Total Deferred Inflows of Resources</i>  | <u>15,277,658</u>   | <u>8,432,343</u>    | <u>6,845,315</u>   |
| <b>Net Position</b>                         |                     |                     |                    |
| Net Investment in Capital Assets            | 14,867,648          | 10,780,475          | 4,087,173          |
| Restricted                                  | 7,556,121           | 8,896,236           | (1,340,115)        |
| Unrestricted (Deficit)                      | 10,053,310          | 6,769,627           | 3,283,683          |
| <i>Total Net Position</i>                   | <u>\$32,477,079</u> | <u>\$26,446,338</u> | <u>\$6,030,741</u> |

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2022. 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.

**Bellaire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*Unaudited*

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A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State Statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Total assets of governmental activities increased \$6,249,656. Currents assets increased \$2,067,607 primarily due to increases in cash and cash equivalents. The School District has maintained consistent spending levels for operations while property tax revenues have increased primarily due to increases in the assessed valuation of public utility personal property. During fiscal year 2022, the School District was able to continue to fund significant capital asset additions through Elementary and Secondary School Emergency Relief (ESSER) Funding, without needing to draw on its current cash existing cash balances. In addition to the increases in cash and cash equivalents, property taxes receivable increased. The increase in property taxes receivable was primarily due to the increases in assessed valuation, as well as a new tax levy approved by the votes in November of 2022, which began collections in 2022, with a full year's impact in fiscal year 2023. Capital assets increased \$4,013,813 primarily due to construction in progress for a Bipolar Ionization/Energy Project.

The School District's total liabilities decreased \$5,768,294. Current and other liabilities decreased \$86,153 primarily due to decreases in contracts payable related to the School District's current construction projects. Long-term liabilities decreased \$5,682,141, primarily due to a decrease in the net pension liability due primarily to decreases in net pension liability due to the changes in assumptions offset by changes in net investment income.

The School District's deferred inflows of resources increased \$6,845,315, 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 2022 and 2021.

**Bellaire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*Unaudited*

**Table 2**  
**Changes in Net Position**

|   | 2022                | 2021                | Change             |
|---|---------------------|---------------------|--------------------|
| <b>Revenues</b>                         |                     |                     |                    |
| Program Revenue:                        |                     |                     |                    |
| Charges for Services and Sales          | \$1,529,370         | \$2,124,519         | (\$595,149)        |
| Operating Grants and Contributions      | 3,084,658           | 3,672,955           | (588,297)          |
| Capital Grants and Contributions        | 2,480,629           | 1,352,649           | 1,127,980          |
| <i>Total Program Revenue</i>            | <u>7,094,657</u>    | <u>7,150,123</u>    | <u>(55,466)</u>    |
| General Revenues:                       |                     |                     |                    |
| Property Taxes                          | 7,956,806           | 6,700,175           | 1,256,631          |
| Grants and Entitlements                 | 8,796,614           | 9,138,105           | (341,491)          |
| Gifts and Donations                     | 20,818              | 18,423              | 2,395              |
| Investments Earnings                    | (800,780)           | 103,436             | (904,216)          |
| Miscellaneous                           | 135,459             | 229,426             | (93,967)           |
| <i>Total General Revenue</i>            | <u>16,108,917</u>   | <u>16,189,565</u>   | <u>(80,648)</u>    |
| <i>Total Revenues</i>                   | <u>\$23,203,574</u> | <u>\$23,339,688</u> | <u>(\$136,114)</u> |
| <b>Program Expenses</b>                 |                     |                     |                    |
| Instruction:                            |                     |                     |                    |
| Regular                                 | \$5,479,124         | \$6,996,569         | (\$1,517,445)      |
| Special                                 | 3,000,078           | 3,541,221           | (541,143)          |
| Vocational                              | 62,392              | 68,881              | (6,489)            |
| Student Intervention Services           | 121,759             | 160,304             | (38,545)           |
| Support Services:                       |                     |                     |                    |
| Pupils                                  | 1,749,569           | 1,791,802           | (42,233)           |
| Instructional Staff                     | 226,573             | 242,596             | (16,023)           |
| Board of Education                      | 28,424              | 33,774              | (5,350)            |
| Administration                          | 1,520,212           | 1,291,059           | 229,153            |
| Fiscal                                  | 514,353             | 532,390             | (18,037)           |
| Business                                | 21,921              | 16,002              | 5,919              |
| Operation and Maintenance of Plant      | 2,118,462           | 2,005,406           | 113,056            |
| Pupil Transportation                    | 1,102,082           | 1,162,997           | (60,915)           |
| Central                                 | 88,246              | 86,727              | 1,519              |
| Operation of Non-Instructional Services | 45,749              | 133,392             | (87,643)           |
| Food Service Operations                 | 593,767             | 557,047             | 36,720             |
| Extracurricular Activities              | 500,122             | 408,499             | 91,623             |
| <i>Total Expenses</i>                   | <u>17,172,833</u>   | <u>19,028,666</u>   | <u>(1,855,833)</u> |
| Change in Net Position                  | 6,030,741           | 4,311,022           | 1,719,719          |
| <i>Net Position Beginning of Year</i>   | <u>26,446,338</u>   | <u>22,135,316</u>   | <u>(1,719,719)</u> |
| <i>Net Position End of Year</i>         | <u>\$32,477,079</u> | <u>\$26,446,338</u> | <u>\$6,030,741</u> |

**Bellaire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*Unaudited*

In fiscal year 2022, 34 percent of the School District's revenues were from property taxes, and 38 percent were from unrestricted grants and entitlements. The change in unrestricted grant revenues is due primarily to changes in the model for State Foundation Funding. The new funding model took effect in fiscal year 2022. The changes in the funding model resulted in reductions in charges for services related to tuition and fees, as open enrollment no longer flows through the residency district and is instead directly paid by the State. Operating grants and contributions program revenue decreased \$588,297 from the prior fiscal year primarily due to decreases in State Funding for auxiliary services under the new funding model. Capital grants and contributions program revenue increased \$1,127,980 due to Elementary and Secondary School Emergency Relief Funding used to finance a construction project as well as capital contribution for the playground construction in progress.

Instruction comprises approximately 50 percent of total governmental program expenses. Of the instructional expenses approximately 63 percent is for regular instruction, approximately 35 percent is for special instruction, with vocational instruction and student intervention services comprising the remaining 2 percent. Overall program expenses decreased over the prior fiscal year in the amount of \$1,855,833, or less than one percent.

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

**Table 3**

|   | <b>Total Cost of Services</b> |                     | <b>Net Cost of Services</b> |                     |
|---|-------------------------------|---------------------|-----------------------------|---------------------|
|   | 2022                          | 2021                | 2022                        | 2021                |
| <b>Program Expenses</b>                 |                               |                     |                             |                     |
| Instruction:                            |                               |                     |                             |                     |
| Regular                                 | \$5,479,124                   | \$6,996,569         | \$4,521,442                 | \$5,289,942         |
| Special                                 | 3,000,078                     | 3,541,221           | 1,587,363                   | 1,834,766           |
| Vocational                              | 62,392                        | 68,881              | 59,346                      | 55,129              |
| Student Intervention Services           | 121,759                       | 160,304             | 118,742                     | 160,304             |
| Support Services:                       |                               |                     |                             |                     |
| Pupils                                  | 1,749,569                     | 1,791,802           | 790,021                     | 512,433             |
| Instructional Staff                     | 226,573                       | 242,596             | 139,562                     | 235,520             |
| Board of Education                      | 28,424                        | 33,774              | 28,424                      | 33,774              |
| Administration                          | 1,520,212                     | 1,291,059           | 1,469,808                   | 1,239,119           |
| Fiscal                                  | 514,353                       | 532,390             | 514,312                     | 529,223             |
| Business                                | 21,921                        | 16,002              | 21,921                      | 16,002              |
| Operation and Maintenance of Plant      | 2,118,462                     | 2,005,406           | (423,263)                   | 551,856             |
| Pupil Transportation                    | 1,102,082                     | 1,162,997           | 1,102,082                   | 1,084,997           |
| Central                                 | 88,246                        | 86,727              | 88,246                      | 86,727              |
| Operation of Non-Instructional Services | 45,749                        | 133,392             | (525)                       | (27,833)            |
| Food Service Operations                 | 593,767                       | 557,047             | (131,213)                   | (11,847)            |
| Extracurricular Activities              | 500,122                       | 408,499             | 191,908                     | 288,431             |
| <b>Total Expenses</b>                   | <b>\$17,172,833</b>           | <b>\$19,028,666</b> | <b>\$10,078,176</b>         | <b>\$11,878,543</b> |

The dependence upon tax revenues and state subsidies for governmental activities is apparent as approximately 59 percent of expenses are supported through taxes and other general revenues.

**Bellaire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*Unaudited*

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

Information about the School District's major funds starts on page 17. These funds are accounted for using the modified accrual basis of accounting. The School District has four major funds, the General Fund, the Schoolwide Pool and Elementary and Secondary School Emergency Relief (ESSER) Special Revenue Funds, and the Permanent Improvement Capital Projects Fund. The General Fund had revenues in the amount of \$16,548,395 and expenditures in the amount of \$11,864,588. Including other financing sources and uses, the balance of the General Fund increased \$1,626,955. General Fund total revenues decreased from the prior year, most notably investment earnings due changes in the market value of its investments, as well as tuition and fees as a result of the new funding model. Decreases in regular instruction expenditures, as well as decreases in transfers out to fund the schoolwide pool were able to offset the decreased revenue. The Schoolwide Pool Special Revenue Fund had revenues in the amount of \$472,284 and expenditures in the amount of \$2,266,365. Overall, including other financing sources, the Schoolwide Pool Special Revenue Fund had no change in fund balance. The ESSER Fund had revenues in the amount of \$2,841,262 and expenditures in the amount of \$2,840,881. Including other financing sources and uses, the balance of the ESSER Fund increased \$381. The Permanent Improvement Capital Projects Fund had revenues in the amount of \$818,866 and expenditures in the amount of \$1,984,126. Including a transfer from the General Fund, the fund balance of the Permanent Improvement Fund decreased \$802,489 as the School District used its resources for capital asset additions.

### **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 2022 there were no changes between the original and final General Fund appropriations. There were no changes between the original and final estimated resources, and actual revenues exceeded final estimates in total. The actual results of operations were different than the budgeted amounts as actual expenditures were less, in total, than budgeted.

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

#### *Capital Assets*

At the end of fiscal year 2022 the School District had \$21,186,026 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2022 balances compared to fiscal year 2021:

**Bellaire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*Unaudited*

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**Table 4**  
**Capital Assets Net of Depreciation**

|                            | 2022         | 2021         |
|----------------------------|--------------|--------------|
| Land                       | \$718,812    | \$718,812    |
| Construction in Progress   | 2,038,129    | 1,357,621    |
| Land Improvements          | 749,956      | 820,591      |
| Buildings and Improvements | 16,119,603   | 12,584,890   |
| Furniture and Equipment    | 385,957      | 387,531      |
| Vehicles                   | 1,173,569    | 1,302,768    |
| Totals                     | \$21,186,026 | \$17,172,213 |

For more information on capital assets see Note 9 to the basic financial statements.

*Debt*

At June 30, 2022 the School District had \$6,000,000 in general obligation bonds outstanding. The amount represents the 2015 Qualified Zone Academy Bonds (QZAB), which will be paid off in one installment from the balance of the debt service sinking escrow account held by a fiscal agent. See Note 14 for more information on the QZAB as well as the School District's other long-term obligations, including compensated absences, net pension liability, and net OPEB liability.

**Economic Factors**

The mission statement of the Bellaire Local School District is to “Strive to develop students who will become productive citizens in both school and later in the community. These students will be given the opportunity to develop healthy self-esteem, respectful attitudes, and a skill base that will prepare them to be successful adults.” Approximately 52 percent of the School District's students are economically disadvantaged and 20 percent are identified as students with disabilities.

Highlighting the year is a separate program, under the direction of the Board of Education, called the STEM Academy. STEM is an acronym for Science, Technology, Engineering, and Mathematics. STEM program focuses on these subjects to help our nation's youth gain the skills required to succeed in today's challenging world. This includes the ability to think critically, solve complex problems, and drive advancements in science and technology. Our students will experience a rigorous high school/college-level curriculum, where upon completion they will receive a high school diploma and/or an employable skill certification.

Due to the School District's focus on alignment, State assessment data, and the improvement of students' State test scores, the School District has a ½ time instructional coach for professional development. The School District has implemented a one-to-one computer program to assist with additional curriculum enhancements, which will increase student achievement on State Report Cards as well as other state accountability measures.

The Board of Education restored the School Resource Officer program district-wide beginning in fiscal year 2018. The School District has also added additional safety and security enhancements of the School campus. The School District continues to increase safety and security throughout the district. The School District has also added mental health supports for students paid for by Student Wellness funding.



**Bellaire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*Unaudited*

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During fiscal years 2021 and 2022, the School District made renovations on the High School Clock Tower and started an energy savings project to replace the HVAC and add bipolar ionization to combat COVID-19 in all school buildings. The School District continues to upgrade technology in the classroom for students and teachers. This School District is also investing in “Project Lead the Way”, to offer 21<sup>st</sup> learning and around STEM and Engineering. The School District continues to improve facilities and remedy learning loss with students due to the coronavirus.

In fiscal year 2023, the School District will seek to renew the Emergency Levy that was passed in 2017, this will be needed to continue current staffing levels; support enhanced curriculum including art, physical education, and music programs.

**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 questions about this report or need additional financial information contact Cathy Moore, Treasurer/CFO at Bellaire Local School District, 340 34<sup>th</sup> Street, Bellaire, Ohio 43906.

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**Bellaire Local School District***Statement of Net Position**June 30, 2022*

|  | Governmental<br>Activities |
|--|----------------------------|
| <b>Assets</b>                                |                            |
| Equity in Pooled Cash and Cash Equivalents   | \$26,008,304               |
| Cash and Cash Equivalents with Fiscal Agents | 1,338,245                  |
| Intergovernmental Receivable                 | 554,551                    |
| Accrued Interest Receivable                  | 42,380                     |
| Prepaid Items                                | 16,859                     |
| Materials and Supplies Inventory             | 95,354                     |
| Property Taxes Receivable                    | 8,709,024                  |
| Accounts Receivable                          | 167,854                    |
| Investments with Fiscal and Escrow Agents    | 2,751,924                  |
| Net OPEB Asset                               | 837,740                    |
| Non-Depreciable Capital Assets               | 2,756,941                  |
| Depreciable Capital Assets, Net              | 18,429,085                 |
|  | <hr/>                      |
| <i>Total Assets</i>                          | 61,708,261                 |
| <b>Deferred Outflows of Resources</b>        |                            |
| Pension                                      | 3,665,038                  |
| OPEB   | 712,726                    |
|  | <hr/>                      |
| <i>Total Deferred Outflows of Resources</i>  | 4,377,764                  |
| <b>Liabilities</b>                           |                            |
| Accounts Payable                             | 24,662                     |
| Contracts Payable                            | 260,351                    |
| Accrued Wages and Benefits Payable           | 1,092,612                  |
| Intergovernmental Payable                    | 443,151                    |
| Matured Severance Payable                    | 17,367                     |
| Vacation Benefits Payable                    | 56,764                     |
| Retainage Payable                            | 58,027                     |
| Claims Payable                               | 362,917                    |
| Long-Term Liabilities:                       |                            |
| Due Within One Year                          | 103,679                    |
| Due In More Than One Year:                   |                            |
| Net Pension Liability                        | 7,661,115                  |
| Net OPEB Liability                           | 1,352,737                  |
| Other Amounts                                | 6,897,906                  |
|  | <hr/>                      |
| <i>Total Liabilities</i>                     | 18,331,288                 |
| <b>Deferred Inflows of Resources</b>         |                            |
| Property Taxes                               | 7,587,219                  |
| Pension                                      | 5,806,198                  |
| OPEB   | 1,884,241                  |
|  | <hr/>                      |
| <i>Total Deferred Inflows of Resources</i>   | 15,277,658                 |
| <b>Net Position</b>                          |                            |
| Net Investment in Capital Assets             | 14,867,648                 |
| Restricted for:                              |                            |
| Capital Projects                             | 2,375,798                  |
| Debt Service                                 | 2,751,924                  |
| Classroom Facilities Maintenance             | 699,315                    |
| State Programs                               | 974,264                    |
| Federal Programs                             | 10,864                     |
| Food Service                                 | 322,940                    |
| Student Activity Programs                    | 58,036                     |
| Other Purposes                               | 362,980                    |
| Unrestricted                                 | 10,053,310                 |
|  | <hr/>                      |
| <i>Total Net Position</i>                    | \$32,477,079               |
|  | <hr/> <hr/>                |

See accompanying notes to the basic financial statements

**Bellaire Local School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2022

|   | Program Revenues    |                                |                                    | Governmental Activities | Net (Expense) Revenue and Changes in Net Position |
|---|---------------------|--------------------------------|------------------------------------|-------------------------|---|
|   | Expenses            | Charges for Services and Sales | Operating Grants and Contributions |                         |   |
| <b>Governmental Activities</b>                              |                     |                                |                                    |                         |   |
| Instruction:  |                     |                                |                                    |                         |   |
| Regular   | \$5,479,124         | \$272,029                      | \$685,653                          | \$0                     | (\$4,521,442)                                     |
| Special   | 3,000,078           | 0                              | 1,412,715                          | 0                       | (1,587,363)                                       |
| Vocational  | 62,392              | 0                              | 3,046                              | 0                       | (59,346)  |
| Student Intervention Services                               | 121,759             | 0                              | 3,017                              | 0                       | (118,742)   |
| Support Services:   |                     |                                |                                    |                         |   |
| Pupils  | 1,749,569           | 928,466                        | 31,082                             | 0                       | (790,021)   |
| Instructional Staff   | 226,573             | 0                              | 87,011                             | 0                       | (139,562)   |
| Board of Education  | 28,424              | 0                              | 0                                  | 0                       | (28,424)  |
| Administration  | 1,520,212           | 0                              | 50,404                             | 0                       | (1,469,808)                                       |
| Fiscal  | 514,353             | 0                              | 41                                 | 0                       | (514,312)   |
| Business  | 21,921              | 0                              | 0                                  | 0                       | (21,921)  |
| Operation and Maintenance of Plant                          | 2,118,462           | 14,875                         | 46,221                             | 2,480,629               | 423,263   |
| Pupil Transportation  | 1,102,082           | 0                              | 0                                  | 0                       | (1,102,082)                                       |
| Central   | 88,246              | 0                              | 0                                  | 0                       | (88,246)  |
| Operation of Non-Instructional Services                     | 45,749              | 0                              | 46,274                             | 0                       | 525   |
| Food Service Operations                                     | 593,767             | 5,786                          | 719,194                            | 0                       | 131,213   |
| Extracurricular Activities                                  | 500,122             | 308,214                        | 0                                  | 0                       | (191,908)   |
| <i>Total Governmental Activities</i>                        | <u>\$17,172,833</u> | <u>\$1,529,370</u>             | <u>\$3,084,658</u>                 | <u>\$2,480,629</u>      | <u>(10,078,176)</u>                               |
| <b>General Revenues</b>                                     |                     |                                |                                    |                         |   |
| Property Taxes Levied for General Purposes                  |                     |                                |                                    |                         | 7,100,305   |
| Property Taxes Levied for Capital Outlay                    |                     |                                |                                    |                         | 822,565   |
| Property Taxes Levied for Buildings Maintenance             |                     |                                |                                    |                         | 33,936  |
| Grants and Entitlements not Restricted to Specific Programs |                     |                                |                                    |                         | 8,796,614   |
| Gifts and Donations   |                     |                                |                                    |                         | 20,818  |
| Investment Earnings   |                     |                                |                                    |                         | (800,780)   |
| Miscellaneous   |                     |                                |                                    |                         | 135,459   |
| <i>Total General Revenues</i>                               |                     |                                |                                    |                         | <u>16,108,917</u>                                 |
| Change in Net Position                                      |                     |                                |                                    |                         | 6,030,741   |
| <i>Net Position Beginning of Year</i>                       |                     |                                |                                    |                         | <u>26,446,338</u>                                 |
| <i>Net Position End of Year</i>                             |                     |                                |                                    |                         | <u>\$32,477,079</u>                               |

See accompanying notes to the basic financial statements

**Bellaire Local School District**

*Balance Sheet  
Governmental Funds  
June 30, 2022*

|  | General             | Schoolwide<br>Pool | Elementary and<br>Secondary School<br>Emergency Relief | Permanent<br>Improvement | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|--------------------|--|--------------------------|--------------------------------|--------------------------------|
| <b>Assets</b>  |                     |                    |  |                          |                                |                                |
| Equity in Pooled Cash and Cash Equivalents                                     | \$19,267,851        | \$0                | \$0  | \$2,211,483              | \$4,300,929                    | \$25,780,263                   |
| Restricted Assets:   |                     |                    |  |                          |                                |                                |
| Equity in Pooled Cash and Cash Equivalents                                     | 6,709               | 0                  | 0  | 58,027                   | 0                              | 64,736                         |
| Investments with Fiscal and Escrow Agents                                      | 0                   | 0                  | 0  | 0                        | 2,751,924                      | 2,751,924                      |
| Receivables:   |                     |                    |  |                          |                                |                                |
| Accrued Interest   | 42,380              | 0                  | 0  | 0                        | 0                              | 42,380                         |
| Property Taxes   | 7,760,538           | 0                  | 0  | 948,486                  | 0                              | 8,709,024                      |
| Intergovernmental  | 253,172             | 0                  | 116,958  | 0                        | 184,421                        | 554,551                        |
| Interfund  | 126,951             | 296,163            | 0  | 0                        | 0                              | 423,114                        |
| Prepaid Items  | 16,693              | 0                  | 0  | 0                        | 166                            | 16,859                         |
| Materials and Supplies Inventory   | 61,230              | 0                  | 0  | 0                        | 34,124                         | 95,354                         |
| <i>Total Assets</i>  | <u>\$27,535,524</u> | <u>\$296,163</u>   | <u>\$116,958</u>                                       | <u>\$3,217,996</u>       | <u>\$7,271,564</u>             | <u>\$38,438,205</u>            |
| <b>Liabilities</b>   |                     |                    |  |                          |                                |                                |
| Accounts Payable   | \$4,762             | \$0                | \$3,731  | \$0                      | \$16,169                       | \$24,662                       |
| Contracts Payable  | 0                   | 0                  | 0  | 260,351                  | 0                              | 260,351                        |
| Retainage Payable  | 0                   | 0                  | 0  | 58,027                   | 0                              | 58,027                         |
| Accrued Wages and Benefits Payable   | 721,669             | 260,665            | 2,231  | 0                        | 108,047                        | 1,092,612                      |
| Matured Severance Payable  | 17,367              | 0                  | 0  | 0                        | 0                              | 17,367                         |
| Interfund Payable  | 198,789             | 0                  | 109,100  | 0                        | 115,225                        | 423,114                        |
| Intergovernmental Payable  | 370,653             | 35,498             | 1,896  | 0                        | 35,104                         | 443,151                        |
| <i>Total Liabilities</i>   | <u>1,313,240</u>    | <u>296,163</u>     | <u>116,958</u>   | <u>318,378</u>           | <u>274,545</u>                 | <u>2,319,284</u>               |
| <b>Deferred Inflows of Resources</b>   |                     |                    |  |                          |                                |                                |
| Property Taxes   | 6,745,021           | 0                  | 0  | 842,198                  | 0                              | 7,587,219                      |
| Unavailable Revenue  | 915,398             | 0                  | 0  | 68,227                   | 18,222                         | 1,001,847                      |
| <i>Total Deferred Inflows of Resources</i>                                     | <u>7,660,419</u>    | <u>0</u>           | <u>0</u>   | <u>910,425</u>           | <u>18,222</u>                  | <u>8,589,066</u>               |
| <b>Fund Balances</b>   |                     |                    |  |                          |                                |                                |
| Nonspendable   |                     |                    |  |                          |                                |                                |
| Inventories  | 61,230              | 0                  | 0  | 0                        | 34,124                         | 95,354                         |
| Prepaid  | 16,693              | 0                  | 0  | 0                        | 166                            | 16,859                         |
| Unclaimed Monies   | 6,709               | 0                  | 0  | 0                        | 0                              | 6,709                          |
| Restricted for:  |                     |                    |  |                          |                                |                                |
| Capital Projects   | 0                   | 0                  | 0  | 1,989,193                | 0                              | 1,989,193                      |
| Debt Service   | 0                   | 0                  | 0  | 0                        | 2,751,924                      | 2,751,924                      |
| Classroom Facilities Maintenance   | 0                   | 0                  | 0  | 0                        | 699,315                        | 699,315                        |
| State Programs   | 0                   | 0                  | 0  | 0                        | 974,145                        | 974,145                        |
| Federal Programs   | 0                   | 0                  | 0  | 0                        | 5,123                          | 5,123                          |
| Food Service   | 0                   | 0                  | 0  | 0                        | 288,769                        | 288,769                        |
| Student Activity Programs  | 0                   | 0                  | 0  | 0                        | 58,036                         | 58,036                         |
| Other Purposes   | 0                   | 0                  | 0  | 0                        | 362,980                        | 362,980                        |
| Committed to:  |                     |                    |  |                          |                                |                                |
| Termination Benefits   | 200,000             | 0                  | 0  | 0                        | 0                              | 200,000                        |
| Capital Projects   | 0                   | 0                  | 0  | 0                        | 1,816,696                      | 1,816,696                      |
| Assigned to Future Appropriations  | 550,363             | 0                  | 0  | 0                        | 0                              | 550,363                        |
| Assigned to Purchases on Order   | 120,453             | 0                  | 0  | 0                        | 0                              | 120,453                        |
| Unassigned (Deficit)   | 17,606,417          | 0                  | 0  | 0                        | (12,481)                       | 17,593,936                     |
| <i>Total Fund Balances</i>   | <u>18,561,865</u>   | <u>0</u>           | <u>0</u>   | <u>1,989,193</u>         | <u>6,978,797</u>               | <u>27,529,855</u>              |
| <i>Total Liabilities, Deferred Inflows<br/>of Resources, and Fund Balances</i> | <u>\$27,535,524</u> | <u>\$296,163</u>   | <u>\$116,958</u>                                       | <u>\$3,217,996</u>       | <u>\$7,271,564</u>             | <u>\$38,438,205</u>            |

See accompanying notes to the basic financial statements

**Bellaire Local School District**  
*Reconciliation of Total Governmental Fund Balances  
to Net Position of Governmental Activities  
June 30, 2022*

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|  |              |                     |
|--|--------------|---------------------|
| <b>Total Governmental Fund Balances</b>  |              | <b>\$27,529,855</b> |
| <i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>  |              |                     |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.  |              | 21,186,026          |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:   |              |                     |
| Intergovernmental Revenues   | 18,222       |                     |
| Delinquent Property Taxes  | 734,260      |                     |
| Tuition and Fees Revenues  | 249,365      |                     |
| Total  | 1,001,847    | 1,001,847           |
| An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position. |              | 1,306,487           |
| 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.                                       |              | (56,764)            |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:   |              |                     |
| Qualified Zone Academy Bonds   | 6,000,000    |                     |
| Compensated Absences   | 1,001,585    |                     |
| Total  | (7,001,585)  | (7,001,585)         |
| The net pension liability and the net OPEB asset/liability are not due and payable in the current period; therefore, the asset/liability and related deferred inflows/outflows are not reported in the governmental funds:             |              |                     |
| Net OPEB Asset   | 837,740      |                     |
| Deferred Outflows - Pension  | 3,665,038    |                     |
| Deferred Outflows - OPEB   | 712,726      |                     |
| Net Pension Liability  | (7,661,115)  |                     |
| Net OPEB Liability   | (1,352,737)  |                     |
| Deferred Inflows - Pension   | (5,806,198)  |                     |
| Deferred Inflows - OPEB  | (1,884,241)  |                     |
| Total  | (11,488,787) | (11,488,787)        |
| <i>Net Position of Governmental Activities</i>   |              | <b>\$32,477,079</b> |

See accompanying notes to the basic financial statements

**Bellaire Local School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2022*

|   | General             | Schoolwide<br>Pool | Elementary and<br>Secondary School<br>Emergency Relief | Permanent<br>Improvement | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|---------------------|--------------------|--|--------------------------|--------------------------------|--------------------------------|
| <b>Revenues</b>                                     |                     |                    |  |                          |                                |                                |
| Property Taxes                                      | \$6,987,876         | \$0                | \$0  | \$789,580                | \$42,011                       | \$7,819,467                    |
| Intergovernmental                                   | 9,760,692           | 472,284            | 2,841,262  | 29,286                   | 1,250,056                      | 14,353,580                     |
| Investment Earnings                                 | (667,036)           | 0                  | 0  | 0                        | (140,976)                      | (808,012)                      |
| Tuition and Fees                                    | 277,227             | 0                  | 0  | 0                        | 549,691                        | 826,918                        |
| Extracurricular Activities                          | 71,306              | 0                  | 0  | 0                        | 236,908                        | 308,214                        |
| Rent  | 14,875              | 0                  | 0  | 0                        | 0                              | 14,875                         |
| Gifts and Donations                                 | 5,262               | 0                  | 0  | 0                        | 15,556                         | 20,818                         |
| Charges for Services                                | 3,175               | 0                  | 0  | 0                        | 384,561                        | 387,736                        |
| Miscellaneous                                       | 95,018              | 0                  | 0  | 0                        | 40,441                         | 135,459                        |
| <i>Total Revenues</i>                               | <u>16,548,395</u>   | <u>472,284</u>     | <u>2,841,262</u>                                       | <u>818,866</u>           | <u>2,378,248</u>               | <u>23,059,055</u>              |
| <b>Expenditures</b>                                 |                     |                    |  |                          |                                |                                |
| Current:  |                     |                    |  |                          |                                |                                |
| Instruction:  |                     |                    |  |                          |                                |                                |
| Regular   | 3,656,719           | 1,184,863          | 386,646  | 0                        | 83,899                         | 5,312,127                      |
| Special   | 2,093,038           | 839,136            | 0  | 0                        | 355,126                        | 3,287,300                      |
| Vocational  | 71,088              | 0                  | 0  | 0                        | 0                              | 71,088                         |
| Student Intervention Services                       | 121,498             | 0                  | 2,503  | 0                        | 634                            | 124,635                        |
| Support Services:                                   |                     |                    |  |                          |                                |                                |
| Pupil   | 820,857             | 0                  | 0  | 0                        | 1,021,911                      | 1,842,768                      |
| Instructional Staff                                 | 95,283              | 0                  | 81,874   | 0                        | 9,039                          | 186,196                        |
| Board of Education                                  | 19,554              | 0                  | 0  | 0                        | 0                              | 19,554                         |
| Administration                                      | 1,357,080           | 242,366            | 4,317  | 0                        | 0                              | 1,603,763                      |
| Fiscal  | 508,857             | 0                  | 0  | 13,148                   | 816                            | 522,821                        |
| Business  | 21,921              | 0                  | 0  | 0                        | 0                              | 21,921                         |
| Operation and Maintenance of Plant                  | 1,767,524           | 0                  | 0  | 14,700                   | 76,446                         | 1,858,670                      |
| Pupil Transportation                                | 970,058             | 0                  | 0  | 0                        | 0                              | 970,058                        |
| Central   | 87,270              | 0                  | 0  | 0                        | 0                              | 87,270                         |
| Operation of Non-Instructional Services             | 1,086               | 0                  | 0  | 0                        | 48,643                         | 49,729                         |
| Food Service Operations                             | 3,762               | 0                  | 0  | 0                        | 613,907                        | 617,669                        |
| Extracurricular Activities                          | 267,093             | 0                  | 0  | 0                        | 274,872                        | 541,965                        |
| Capital Outlay                                      | 1,900               | 0                  | 2,365,541  | 1,956,278                | 859,049                        | 5,182,768                      |
| <i>Total Expenditures</i>                           | <u>11,864,588</u>   | <u>2,266,365</u>   | <u>2,840,881</u>                                       | <u>1,984,126</u>         | <u>3,344,342</u>               | <u>22,300,302</u>              |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>4,683,807</u>    | <u>(1,794,081)</u> | <u>381</u>   | <u>(1,165,260)</u>       | <u>(966,094)</u>               | <u>758,753</u>                 |
| <b>Other Financing Sources (Uses)</b>               |                     |                    |  |                          |                                |                                |
| Transfers In  | 0                   | 1,794,081          | 0  | 362,771                  | 900,000                        | 3,056,852                      |
| Transfers Out                                       | (3,056,852)         | 0                  | 0  | 0                        | 0                              | (3,056,852)                    |
| <i>Total Other Financing Sources (Uses)</i>         | <u>(3,056,852)</u>  | <u>1,794,081</u>   | <u>0</u>   | <u>362,771</u>           | <u>900,000</u>                 | <u>0</u>                       |
| <i>Net Change in Fund Balances</i>                  | 1,626,955           | 0                  | 381  | (802,489)                | (66,094)                       | 758,753                        |
| <i>Fund Balances Beginning of Year</i>              | <u>16,934,910</u>   | <u>0</u>           | <u>(381)</u>   | <u>2,791,682</u>         | <u>7,044,891</u>               | <u>26,771,102</u>              |
| <i>Fund Balances End of Year</i>                    | <u>\$18,561,865</u> | <u>\$0</u>         | <u>\$0</u>   | <u>\$1,989,193</u>       | <u>\$6,978,797</u>             | <u>\$27,529,855</u>            |

See accompanying notes to the basic financial statements

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

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**Net Change in Fund Balances - Total Governmental Funds** \$758,753

*Amounts reported for governmental activities in the Statement of Activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

|                           |                    |           |
|---------------------------|--------------------|-----------|
| Capital Outlay            | 5,110,172          |           |
| Current Year Depreciation | <u>(1,096,359)</u> |           |
| Total                     |                    | 4,013,813 |

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:

|                            |                |        |
|----------------------------|----------------|--------|
| Intergovernmental Revenues | (106,767)      |        |
| Delinquent Property Taxes  | 137,339        |        |
| Tuition and Fees Revenues  | <u>(8,373)</u> |        |
| Total                      |                | 22,199 |

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 | (5,284)       |       |
| Compensated Absences      | <u>12,572</u> |       |
| Total                     |               | 7,288 |

The internal service fund used by management to charge the costs of insurance to individual funds is included in the Statement of Activities and not on the governmental fund statements. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among governmental activities.

159,420

Contractually required contributions are reported as expenditures in the governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows:

|         |               |           |
|---------|---------------|-----------|
| Pension | 1,103,508     |           |
| OPEB    | <u>42,223</u> |           |
| Total   |               | 1,145,731 |

Except for amounts reported as deferred inflows/outflows, changes in net pension/OPEB (asset)/liability are reported as pension/OPEB expense in the Statement of Activities:

|         |               |                 |
|---------|---------------|-----------------|
| Pension | (114,036)     |                 |
| OPEB    | <u>37,573</u> |                 |
| Total   |               | <u>(76,463)</u> |

*Change in Net Position of Governmental Activities*

\$6,030,741

See accompanying notes to the basic financial statements



**Bellaire Local School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2022*

|   | Original<br>Budget  | Final<br>Budget     | Actual              | Variance with<br>Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
| <b>Revenues</b>                             |                     |                     |                     |                               |
| Property Taxes                              | \$6,658,721         | \$6,658,721         | \$6,918,755         | \$260,034                     |
| Intergovernmental                           | 10,251,170          | 10,251,170          | 9,760,780           | (490,390)                     |
| Interest                                    | 167,861             | 167,861             | 156,057             | (11,804)                      |
| Tuition and Fees                            | 1,124,255           | 1,124,255           | 277,227             | (847,028)                     |
| Extracurricular Activities                  | 138,367             | 138,367             | 71,306              | (67,061)                      |
| Rent and Royalties                          | 0                   | 0                   | 14,875              | 14,875                        |
| Gifts and Donations                         | 0                   | 0                   | 5,262               | 5,262                         |
| Charges for Services                        | 812                 | 812                 | 3,175               | 2,363                         |
| Miscellaneous                               | 202,998             | 202,998             | 95,018              | (107,980)                     |
| <i>Total Revenues</i>                       | <u>18,544,184</u>   | <u>18,544,184</u>   | <u>17,302,455</u>   | <u>(1,241,729)</u>            |
| <b>Expenditures</b>                         |                     |                     |                     |                               |
| Current:                                    |                     |                     |                     |                               |
| Instruction:                                |                     |                     |                     |                               |
| Regular                                     | 5,797,084           | 5,797,091           | 3,645,449           | 2,151,642                     |
| Special                                     | 2,088,940           | 2,088,940           | 2,041,869           | 47,071                        |
| Vocational                                  | 68,296              | 68,296              | 68,672              | (376)                         |
| Student Intervention Services               | 206,093             | 206,093             | 121,498             | 84,595                        |
| Support Services:                           |                     |                     |                     |                               |
| Pupils                                      | 747,959             | 747,959             | 816,782             | (68,823)                      |
| Instructional Staff                         | 84,643              | 84,643              | 85,246              | (603)                         |
| Board of Education                          | 23,747              | 23,747              | 19,000              | 4,747                         |
| Administration                              | 1,426,699           | 1,426,699           | 1,357,976           | 68,723                        |
| Fiscal                                      | 540,505             | 540,505             | 512,027             | 28,478                        |
| Business                                    | 20,000              | 20,000              | 21,921              | (1,921)                       |
| Operation and Maintenance of Plant          | 1,845,248           | 1,845,248           | 1,767,605           | 77,643                        |
| Pupil Transportation                        | 1,027,204           | 1,027,204           | 1,078,395           | (51,191)                      |
| Central                                     | 90,000              | 90,000              | 87,270              | 2,730                         |
| Extracurricular Activities                  | 264,077             | 264,077             | 265,802             | (1,725)                       |
| Food Service Operations                     | 0                   | 0                   | 1,086               | (1,086)                       |
| Capital Outlay                              | 10,000              | 10,000              | 1,900               | 8,100                         |
| <i>Total Expenditures</i>                   | <u>14,240,495</u>   | <u>14,240,502</u>   | <u>11,892,498</u>   | <u>2,348,004</u>              |
| <i>Excess of Revenues Over Expenditures</i> | 4,303,689           | 4,303,682           | 5,409,957           | 1,106,275                     |
| <b>Other Financing Uses</b>                 |                     |                     |                     |                               |
| Transfers Out                               | (3,602,699)         | (3,602,699)         | (3,071,799)         | 530,900                       |
| <i>Net Change in Fund Balance</i>           | 700,990             | 700,983             | 2,338,158           | 1,637,175                     |
| <i>Fund Balance Beginning of Year</i>       | 17,778,021          | 17,778,021          | 17,778,021          | 0                             |
| Prior Year Encumbrances Appropriated        | 25,194              | 25,194              | 25,194              | 0                             |
| <i>Fund Balance End of Year</i>             | <u>\$18,504,205</u> | <u>\$18,504,198</u> | <u>\$20,141,373</u> | <u>\$1,637,175</u>            |

See accompanying notes to the basic financial statements

**Bellaire Local 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, 2022*

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>             | <u>Variance with<br/>Final Budget</u> |
|--|----------------------------|-------------------------|---------------------------|---------------------------------------|
| <b>Revenues</b>                              |                            |                         |                           |                                       |
| <i>Total Revenues</i>                        | \$0                        | \$0                     | \$0                       | \$0                                   |
| <b>Expenditures</b>                          |                            |                         |                           |                                       |
| Current:                                     |                            |                         |                           |                                       |
| Instruction:                                 |                            |                         |                           |                                       |
| Regular                                      | 1,133,983                  | 1,133,983               | 1,162,767                 | (28,784)                              |
| Special                                      | 950,236                    | 950,236                 | 858,177                   | 92,059                                |
| Support Services:                            |                            |                         |                           |                                       |
| Administration                               | 401,282                    | 401,282                 | 244,613                   | 156,669                               |
| <i>Total Expenditures</i>                    | <u>2,485,501</u>           | <u>2,485,501</u>        | <u>2,265,557</u>          | <u>219,944</u>                        |
| <i>Excess of Revenues Under Expenditures</i> | (2,485,501)                | (2,485,501)             | (2,265,557)               | 219,944                               |
| <b>Other Financing Sources</b>               |                            |                         |                           |                                       |
| Transfers In                                 | <u>2,700,000</u>           | <u>2,700,000</u>        | <u>2,264,695</u>          | <u>(435,305)</u>                      |
| <i>Net Change in Fund Balance</i>            | 214,499                    | 214,499                 | (862)                     | (215,361)                             |
| <i>Fund Balance Beginning of Year</i>        | <u>(179,198)</u>           | <u>(179,198)</u>        | <u>(179,198)</u>          | <u>0</u>                              |
| <i>Fund Balance End of Year</i>              | <u><u>\$35,301</u></u>     | <u><u>\$35,301</u></u>  | <u><u>(\$180,060)</u></u> | <u><u>(\$215,361)</u></u>             |

See accompanying notes to the basic financial statements

**Bellaire Local School District**  
*Statement of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Elementary and Secondary School Emergency Relief Fund  
For the Fiscal Year Ended June 30, 2022*

|                                       | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>             | <u>Variance with<br/>Final Budget</u> |
|---------------------------------------|----------------------------|-------------------------|---------------------------|---------------------------------------|
| <b>Revenues</b>                       |                            |                         |                           |                                       |
| Intergovernmental                     | \$4,285,787                | \$4,285,787             | \$3,463,355               | (\$822,432)                           |
| <b>Expenditures</b>                   |                            |                         |                           |                                       |
| Current:                              |                            |                         |                           |                                       |
| Instruction:                          |                            |                         |                           |                                       |
| Regular                               | 403,449                    | 403,449                 | 403,449                   | 0                                     |
| Support Services:                     |                            |                         |                           |                                       |
| Instructional Staff                   | 80,250                     | 80,250                  | 80,250                    | 0                                     |
| Administration                        | 4,317                      | 4,317                   | 4,317                     | 0                                     |
| Capital Outlay                        | 3,422,969                  | 3,422,969               | 2,730,171                 | 692,798                               |
| <i>Total Expenditures</i>             | <u>3,910,985</u>           | <u>3,910,985</u>        | <u>3,218,187</u>          | <u>692,798</u>                        |
| <i>Net Change in Fund Balance</i>     | 374,802                    | 374,802                 | 245,168                   | (129,634)                             |
| <i>Fund Balance Beginning of Year</i> | (502,215)                  | (502,215)               | (502,215)                 | 0                                     |
| Prior Year Encumbrances Appropriated  | <u>127,413</u>             | <u>127,413</u>          | <u>127,413</u>            | <u>0</u>                              |
| <i>Fund Balance End of Year</i>       | <u><u>\$0</u></u>          | <u><u>\$0</u></u>       | <u><u>(\$129,634)</u></u> | <u><u>(\$129,634)</u></u>             |

See accompanying notes to the basic financial statements

**Bellaire Local School District**  
*Statement of Fund Net Position*  
*Proprietary Fund*  
*June 30, 2022*

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|  | Governmental<br>Activity |
|--|--------------------------|
|  | Internal Service<br>Fund |
| <b>Current Assets</b>                        |                          |
| Equity in Pooled Cash and Cash Equivalents   | \$163,305                |
| Cash and Cash Equivalents with Fiscal Agents | 1,338,245                |
| Accounts Receivable                          | 167,854                  |
| <i>Total Assets</i>                          | 1,669,404                |
| <b>Current Liabilities</b>                   |                          |
| Claims Payable                               | 362,917                  |
| <i>Total Liabilities</i>                     | 362,917                  |
| <b>Net Position</b>                          |                          |
| Unrestricted                                 | 1,306,487                |
| <i>Total Net Position</i>                    | \$1,306,487              |

See accompanying notes to the basic financial statements

**Bellaire Local School District**  
*Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Proprietary Fund*  
*For the Fiscal Year Ended June 30, 2022*

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|                                       | Governmental<br>Activity |
|---------------------------------------|--------------------------|
|                                       | Internal Service<br>Fund |
| <b>Operating Revenues</b>             |                          |
| Charges for Services                  | \$2,813,779              |
| Other Revenues                        | 52,052                   |
| <i>Total Operating Revenues</i>       | 2,865,831                |
| <b>Operating Expenses</b>             |                          |
| Purchased Services                    | 738,457                  |
| Claims                                | 1,975,186                |
| <i>Total Operating Expenses</i>       | 2,713,643                |
| <i>Operating Income</i>               | 152,188                  |
| <b>Non-Operating Revenues</b>         |                          |
| Interest                              | 7,232                    |
| <i>Change in Net Position</i>         | 159,420                  |
| <i>Net Position Beginning of Year</i> | 1,147,067                |
| <i>Net Position End of Year</i>       | \$1,306,487              |

See accompanying notes to the basic financial statements

**Bellaire Local School District**  
*Statement of Cash Flows*  
*Proprietary Fund*  
*For the Fiscal Year Ended June 30, 2022*

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|  | Governmental<br>Activity |
|--|--------------------------|
|  | Internal Service<br>Fund |
| <b>Increase (Decrease) in Cash and Cash Equivalents</b>                                |                          |
| <b>Cash Flows from Operating Activities</b>  |                          |
| Cash Received from Interfund Services Provided   | \$2,813,779              |
| Other Operating Revenues   | 1,354,100                |
| Cash Payments for Services   | (738,457)                |
| Cash Payments for Claims   | (3,550,087)              |
|  | (120,665)                |
| <i>Net Cash Used by Operating Activities</i>   | <i>(120,665)</i>         |
| <b>Cash Flows from Investing Activities</b>  |                          |
| Interest   | 7,232                    |
|  | 7,232                    |
| <i>Net Cash Provided by Investing Activities</i>                                       | <i>7,232</i>             |
| <i>Net Decrease in Cash and Cash Equivalents</i>                                       | (113,433)                |
| <i>Cash and Cash Equivalents Beginning of Year</i>                                     | 1,614,983                |
| <i>Cash and Cash Equivalents End of Year</i>   | \$1,501,550              |
| <b>Reconciliation of Operating Income to Net Cash<br/>Used by Operating Activities</b> |                          |
| Operating Income   | \$152,188                |
| Changes in Assets and Liabilities:   |                          |
| Increase in Accounts Receivable  | (167,854)                |
| Decrease in Unearned Revenue   | (52,052)                 |
| Decrease in Claims Payable   | (52,947)                 |
|  | (272,853)                |
| <i>Net Cash Used by Operating Activities</i>   | <i>(\$120,665)</i>       |

See accompanying notes to the basic financial statements

**Bellaire Local School District**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*June 30, 2022*

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|  | <u>Private Purpose<br/>Trust</u> |
|--|----------------------------------|
| <b>Assets</b>                              |                                  |
| Equity in Pooled Cash and Cash Equivalents | \$513,082                        |
| Investments                                | <u>5,000</u>                     |
| <i>Total Assets</i>                        | <u>518,082</u>                   |
| <b>Net Position</b>                        |                                  |
| Held in Trust for Scholarships             | <u>518,082</u>                   |
| <i>Total Net Position</i>                  | <u><u>\$518,082</u></u>          |

See accompanying notes to the basic financial statements

**Bellaire Local School District**  
*Statement of Changes in Fiduciary Net Position*  
*Fiduciary Funds*  
*For the Fiscal Year Ended June 30, 2022*

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|  | Private Purpose<br>Trust |
|--|--------------------------|
| <b>Additions</b>                             |                          |
| Interest                                     | \$2,846                  |
| <b>Deductions</b>                            |                          |
| Payments in Accordance with Trust Agreements | 6,000                    |
| <i>Change in Net Position</i>                | (3,154)                  |
| <i>Net Position Beginning of Year</i>        | 521,236                  |
| <i>Net Position End of Year</i>              | \$518,082                |

See accompanying notes to the basic financial statements



**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

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

The School District was established in 1839 when Jacob Davis Jr. became the first school teacher in Bellaire. The first schoolhouse was also erected in 1839. The current district was originally made up of schools in Bellaire, Key, Pultney and other outlying areas and one-room schools. The final consolidation of these districts was in January 1960 when the Key-Pultney District joined the Bellaire District. The Bellaire School District consolidated again in 2001 when seven elementary and middle school buildings were closed and the district moved to two new facilities. Bellaire Elementary School consists of grades kindergarten through fourth; Bellaire Middle School encompasses grades five through eight and Bellaire High School houses grades nine through twelve. The School District encompasses 48 square miles of rolling hills and small communities in Belmont County. The District's eastern border is the Ohio River. The School District is staffed by 62 non-certificated employees, 81 full-time teaching personnel and 9 administrative employees who provide services to 1,101 students and other community members. The School District currently operates 3 instructional buildings, 1 administrative building, 2 maintenance buildings, and 1 bus garage.

*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 Bellaire Local School District, this includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. No separate governmental units meet the criteria for inclusion as a component unit. The following activity is included within the reporting entity:

The School District is involved with seven organizations; three jointly governed organizations, two insurance purchasing pools, one risk-sharing, claims servicing, and insurance purchasing pool, and one related organization. These organizations include the Belmont-Harrison Vocational School District, the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council), the Coalition of Rural and Appalachian Schools (CORAS), the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), The Ohio School Plan (OSP), the Jefferson Health Plan Self-Insurance Plan, and the Bellaire Public Library. These organizations are presented in Notes 17, 18, and 19.

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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

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

***Basis of Presentation***

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

***Government-wide Financial Statements*** The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements usually distinguish between those activities of the School District that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). The School District, however; has no business-type activities.

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

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

***Fund Accounting***

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

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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

**General Fund** - The General Fund is the operating fund of the School District and is used to account for 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.

**Elementary and Secondary School Emergency Relief (ESSER) Fund** -Elementary and Secondary School Emergency Relief (ESSER) Fund is used to account for and report emergency relief grants to the School District in response to the COVID-19 pandemic. Grant restrictions include, but are not limited to, providing for coordination of preparedness and response efforts, training and professional development of staff, planning and coordination during long-term closure, and purchasing technology for students.

**Permanent Improvement Fund** - The Permanent Improvement Capital Projects Fund is used to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements.

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

**Proprietary Funds** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service. The School District has no enterprise funds.

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

**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. The School District has a private purpose trust fund which accounts for various college scholarships for students. Custodial Funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District's custodial funds are used to account for assets held by the School District and distributed for the benefit of Ohio High School Athletic Association. For fiscal year 2022, the custodial fund had no activity.

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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

Like the government-wide statements, all proprietary and 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 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 and the statements presented for proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and 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 60 days of fiscal year-end.

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied (See Note 6). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the 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, student fees and rentals.

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for asset retirement obligations, pension and OPEB. The deferred outflows of resources related to asset retirement obligations is originally measured at the amount of the corresponding liability. This amount is expensed in a systematic and rational manner over the tangible asset's useful life. The deferred outflows of resources related to pension and OPEB are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance year 2023 operations. These amounts have been recorded as deferred inflow on both the government-wide statement of net position and the government fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants, tuition and fees, and contributions and donations. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 18. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 11 and 12).

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

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

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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***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". The School District utilizes a self-insurance third party administrator to review and pay claims. Money held by the administrator is presented as "Cash and Cash Equivalents with Fiscal Agents".

During fiscal year 2022, the School District invested in STAR Ohio (the State Treasury Asset Reserve of Ohio), which is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, Certain External Investment Pools and Pool Participants. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

In addition to the investment in STAR Ohio, the School District had additional investments, which were limited to money market mutual funds, negotiable certificates of deposit, United States Agency securities, and United States Treasury Notes. The money market mutual fund is measured at net asset value per share, and the remaining investments are reported at fair value.

Following Ohio Statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue debited to the General Fund during fiscal year 2022 amounted to (\$667,036) which includes (\$194,975) assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as 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.

***Restricted Assets***

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other government or imposed by law through constitutional provisions or enabling legislation. Restricted assets in 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, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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***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, purchased food, donated food and school supplies.

***Capital Assets***

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating 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. 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 are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

| <u>Description</u>         | <u>Estimated Lives</u> |
|----------------------------|------------------------|
| Land Improvements          | 5-50 Years             |
| Buildings and Improvements | 20-50 Years            |
| Furniture and Equipment    | 5-20 Years             |
| Vehicles                   | 5-20 Years             |

***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 absences liability is reported on the government-wide financial statements.

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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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, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are 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, leases, and long-term loans are recognized as a liability on the governmental fund financial statements when due.

***Bond Premiums and Discounts***

On the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are amortized over the term of the bonds 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, bond premiums, and bond discounts are recognized in the period in which the bonds are issued. The face amount of the debt issue is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses.

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.

***Interfund Activity***

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



**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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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 are 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 2022, the School District has a committed fund balance for termination benefits and capital projects.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the School District Board of Education or a School District official delegated that authority by resolution or by State Statute. State Statute authorizes the Board of

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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Education to assign fund balances for purchases on order provided such amounts have been lawfully appropriated. The amount assigned in the General Fund represents purchase 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 amounts in any of the unrestricted fund balance classifications could be used.

***Net Position***

Net position represent 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 are 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 are available.

***Operating Revenues and Expenses***

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

***Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

***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.

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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***Budgetary Data***

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and 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 revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

**NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLE**

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

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

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

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

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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**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 Statements of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual – for the General Fund, Schoolwide Pool and Elementary and Secondary School Emergency Relief 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 that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or unassigned fund balance (GAAP basis).
4. Transfers in and transfers out that are balance sheet transactions (GAAP) as opposed to operating transactions (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. The investment market value adjustment is the amount recorded to bring investments to market value on the balance sheet (GAAP basis) that is not recorded on the budgetary (Cash basis).

Adjustments necessary to convert the results of operations at the end of the fiscal year on the Budget basis to the GAAP basis are as follows:

|                                | Net Change in Fund Balance |                    |                  |
|--------------------------------|----------------------------|--------------------|------------------|
|                                | General                    | Schoolwide<br>Pool | ESSER            |
| GAAP Basis                     | \$1,626,955                | \$0                | \$381            |
| Revenue Accruals               | 1,434,498                  | (472,284)          | 622,093          |
| Transfers In                   | 0                          | 470,614            | 0                |
| Ending Market Value Adjustment | (680,438)                  | 0                  | 0                |
| Expenditure Accruals           | 92,726                     | 808                | (356,772)        |
| Transfers Out                  | (14,947)                   | 0                  | 0                |
| Encumbrances                   | (120,636)                  | 0                  | (20,534)         |
| Budget Basis                   | <u>\$2,338,158</u>         | <u>(\$862)</u>     | <u>\$245,168</u> |

**NOTE 5 - DEPOSIT 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.

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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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.

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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

At June 30, 2022, the School District's internal service fund had a balance of \$1,338,247 with Jefferson Health Plan Self-Insurance Plan, a risk-sharing, claims servicing, and insurance purchasing pool (See Note 18). The balance is held by the claims administrator in a pooled account which is representative of numerous entities and therefore cannot be included in the risk disclosures reported by the School District. Disclosures for the Jefferson Health Plan Self-Insurance Plan as a whole may be obtained from the Plan's fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Jefferson Health Plan Self-Insurance Plan, Treasurer, Jefferson County ESC, Steubenville, Ohio 43952.

***Deposits***

***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, 2022, \$7,504,171 of the School District's total bank balance of \$7,759,521 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution.

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

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

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

***Investments***

As of June 30, 2022, the School District had the following investments:

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
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| Measurement/Investment                   | Measurement<br>Amount | Maturity          | Rating  | Percent of Total<br>Investments |
|--|-----------------------|-------------------|---------|---------------------------------|
| Net Asset Value Per Share:               |                       |                   |         |                                 |
| Money Market Mutual Fund                 | \$454,529             | Less Than 1 Year  | Aaa-mf* | 2.10%                           |
| STAR Ohio                                | 512,793               | 35.3 Days         | AAA-mf* | 2.37%                           |
| <i>Total Net Asset Value Per Share</i>   | <u>967,322</u>        |                   |         |                                 |
| Fair Value - Level 2 Inputs:             |                       |                   |         |                                 |
| Commerical Paper                         | 1,140,594             | Less Than 1 Year  | P-1*    | 5.27%                           |
| Negotiable Certificates of Deposit       | 2,904,955             | Less Than 1 Year  | N/A     | 13.43%                          |
| Negotiable Certificates of Deposit       | 959,753               | Less Than 2 Years | N/A     | 4.44%                           |
| Negotiable Certificates of Deposit       | 1,288,820             | Less Than 3 Years | N/A     | 5.96%                           |
| Negotiable Certificates of Deposit       | 229,194               | Less Than 4 Years | N/A     | 1.06%                           |
| Negotiable Certificates of Deposit       | 63,657                | Less Than 5 Years | N/A     | 0.29%                           |
| US Agency Securities                     | 245,952               | Less Than 1 Year  | Aaa*    | 1.14%                           |
| US Agency Securities                     | 2,081,760             | Less Than 2 Years | Aaa*    | 9.62%                           |
| US Agency Securities                     | 2,287,186             | Less Than 3 Years | Aaa*    | 10.57%                          |
| US Agency Securities                     | 3,390,371             | Less Than 4 Years | Aaa*    | 15.67%                          |
| US Agency Securities                     | 856,408               | Less Than 5 Years | Aaa*    | 3.96%                           |
| US Treasury Notes                        | 1,114,449             | Less Than 1 Year  | AA+**   | 5.15%                           |
| US Treasury Notes                        | 619,549               | Less Than 2 Years | AA+**   | 2.86%                           |
| US Treasury Notes                        | 492,490               | Less Than 3 Years | AA+**   | 2.28%                           |
| US Treasury Notes                        | 985,256               | Less Than 4 Years | AA+**   | 4.55%                           |
| US Treasury Notes                        | 2,007,464             | Less Than 5 Years | AA+**   | 9.28%                           |
| <i>Total Fair Value - Level 2 Inputs</i> | <u>20,667,858</u>     |                   |         |                                 |
| <i>Total Investments</i>                 | <u>\$21,635,180</u>   |                   |         | <u>100.00%</u>                  |

Investment ratings provided by Moody's Investor Services (\*) and Standard & Poor's (\*\*)

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, 2022. 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, 2022, the School District had investments with fiscal and escrow agents for the debt service sinking escrow account held by a fiscal agent. See Note 14 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.

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
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**Credit Risk** The credit ratings for the School District’s securities are listed above. Ohio law requires money market mutual funds be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices. The investments in mutual funds and common stock are donated investments, and were not purchased by the School District.

**Custodial Credit Risk** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State Statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

**Concentration of Credit Risk** The School District places no limit on the amount it may invest in any one issuer. The percentage of total investments is listed in the table above.

**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 2022 represents collections of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed value listed as of January 1, 2021, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State Statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2022 represents collections of calendar year 2021 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien December 31, 2020, were levied after April 1, 2021 and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Belmont 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, 2022, are available to finance fiscal year 2022 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which were measurable as of June 30, 2022 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is 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.



**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
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The amount available as an advance at June 30, 2022 was \$349,484 in the General Fund, \$38,061 in the Permanent Improvement Capital Projects Fund. The amount available as an advance at June 30, 2021 was \$280,363 in the General Fund, \$19,765 in the Permanent Improvement Capital Projects Fund, and \$4,186 in the Classroom Facilities Maintenance Special Revenue Fund.

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

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

|                         | 2021 Second<br>Half Collections |         | 2022 First<br>Half Collections |         |
|-------------------------|---------------------------------|---------|--------------------------------|---------|
|                         | Amount                          | Percent | Amount                         | Percent |
| Real Estate             | \$148,183,630                   | 51.71%  | \$163,803,500                  | 56.43%  |
| Public Utility Personal | 138,402,080                     | 48.29%  | 126,489,940                    | 43.57%  |
| Total Assessed Values   | \$286,585,710                   | 100.00% | \$290,293,440                  | 100.00% |

|  |         |         |
|--|---------|---------|
| Tax Rate per \$1,000 of assessed valuation | \$31.85 | \$32.05 |
|--|---------|---------|

**NOTE 7 - RECEIVABLES**

Receivables at June 20, 2022, 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:

|  | <b>Amounts</b> |
|--|----------------|
| <b>Governmental Activities</b>             |                |
| Excess Costs from Other School Districts   | \$253,172      |
| ESSER II Grant                             | 29,268         |
| ARP ESSER III Grant                        | 87,690         |
| Title I Grant                              | 1,880          |
| Title I-A Improve Basic Programs           | 87,560         |
| IDEA Part B Grant                          | 69,819         |
| Title II-A Improving Teacher Quality Grant | 11,628         |
| Title I Non-Competitive                    | 13,534         |
| Total Intergovernmental Receivable         | \$554,551      |

**NOTE 8 - TAX ABATEMENTS**

School District property taxes were reduced through an Enterprise Zone Tax Exemption established by Belmont County. This program provides property tax abatements to encourage new investment within an area which overlaps the School District. For fiscal year 2022, School District property tax revenues were reduced \$15,779 by the abatements authorized under the Enterprise Zone Tax Exemption.

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
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**NOTE 9 - CAPITAL ASSETS**

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

|  | Balance<br>6/30/21  | Additions            | Deletions            | Balance<br>6/30/22  |
|--|---------------------|----------------------|----------------------|---------------------|
| <b>Non-Depreciable Capital Assets:</b>       |                     |                      |                      |                     |
| Land   | \$718,812           | \$0                  | \$0                  | \$718,812           |
| Construction in Progress                     | 1,357,621           | 2,006,301            | (1,325,793)          | 2,038,129           |
| <b>Total Non-Depreciable Capital Assets</b>  | <b>2,076,433</b>    | <b>2,006,301</b>     | <b>(1,325,793)</b>   | <b>2,756,941</b>    |
| <b>Depreciable Capital Assets:</b>           |                     |                      |                      |                     |
| Land Improvements                            | 2,420,894           | 0                    | 0                    | 2,420,894           |
| Buildings and Improvements                   | 32,334,546          | 4,379,459            | 0                    | 36,714,005          |
| Furniture and Equipment                      | 1,778,344           | 50,205               | 0                    | 1,828,549           |
| Vehicles                                     | 1,856,301           | 0                    | 0                    | 1,856,301           |
| <b>Total Depreciable Capital Assets</b>      | <b>38,390,085</b>   | <b>4,429,664</b>     | <b>0</b>             | <b>42,819,749</b>   |
| <b>Accumulated Depreciation:</b>             |                     |                      |                      |                     |
| Land Improvements                            | (1,600,303)         | (70,635)             | 0                    | (1,670,938)         |
| Buildings and Improvements                   | (19,749,656)        | (844,746)            | 0                    | (20,594,402)        |
| Furniture and Equipment                      | (1,390,813)         | (51,779)             | 0                    | (1,442,592)         |
| Vehicles                                     | (553,533)           | (129,199)            | 0                    | (682,732)           |
| <b>Total Accumulated Depreciation</b>        | <b>(23,294,305)</b> | <b>(1,096,359) *</b> | <b>0</b>             | <b>(24,390,664)</b> |
| <b>Total Depreciable Capital Assets, Net</b> | <b>15,095,780</b>   | <b>3,333,305</b>     | <b>0</b>             | <b>18,429,085</b>   |
| <b>Governmental Capital Assets, Net</b>      | <b>\$17,172,213</b> | <b>\$5,339,606</b>   | <b>(\$1,325,793)</b> | <b>\$21,186,026</b> |

\* Depreciation expense was charged to governmental activities as follows:

|                                    |                    |
|------------------------------------|--------------------|
| <b>Instruction:</b>                |                    |
| Regular                            | \$688,268          |
| Special                            | 6,083              |
| Vocational                         | 748                |
| <b>Support Services:</b>           |                    |
| Pupil                              | 871                |
| Instructional Staff                | 55,886             |
| Board of Education                 | 4,925              |
| Administration                     | 2,792              |
| Fiscal                             | 11,092             |
| Operation and Maintenance of Plant | 87,010             |
| Pupil Transportation               | 178,922            |
| Central                            | 976                |
| Food Service Operations            | 13,225             |
| Non-Instructional Services         | 730                |
| Extracurricular Activities         | 44,831             |
| <b>Total Depreciation Expense</b>  | <b>\$1,096,359</b> |

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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**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 2022 the School District joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP (See Note 18). The School District contracted with the Ohio School Plan for liability, property, and fleet insurance. The type and amount of coverage provided by Ohio School Plan follows:

|   |              |
|---|--------------|
| Building and Contents-replacement cost (\$1,000 deductible) | \$75,923,940 |
| Automotive Liability (\$1,000 deductible)                   | 11,000,000   |
| Uninsured Motorist (\$1,000 deductible)                     | 1,000,000    |
| <i>General Liability:</i>                                   |              |
| Each Occurance  | 11,000,000   |
| Aggregated Limit  | 13,000,000   |
| Personal and Advertising Injury Limit - Each Occurance:     | 11,000,000   |
| <i>Sexual Misconduct Liability:</i>                         |              |
| Each Occurance  | 11,000,000   |
| <i>School Leaders Errors and Omissions Liability:</i>       |              |
| Each Occurance  | 11,000,000   |
| Aggregated Limit  | 13,000,000   |
| <i>Employee Benefits Liability:</i>                         |              |
| Each Occurance  | 11,000,000   |
| Aggregated Limit  | 13,000,000   |
| <i>Employer's Liability:</i>                                |              |
| Each Occurance  | 11,000,000   |
| Aggregated Limit  | 11,000,000   |
| Disease - Each Employee                                     | 11,000,000   |

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

***Workers' Compensation***

For fiscal year 2022, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Paramount Preferred Solutions provides administrative, cost control and actuarial services to the GRP.

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
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***Employee Benefits***

Medical/surgical and prescription drug are offered to employees through a self-insurance internal service fund. The School District is a member of the Jefferson Health Plan Self-Insurance Plan, a risk-sharing, claims servicing, and insurance purchasing pool, consisting of over one hundred members, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. The medical/surgical coverage is based on a usual, customary, and reasonable claim plan. The monthly premium for this coverage is \$958.72 for a single plan and \$2,328.14 for a family plan. The Board share of the premium for medical/surgical and prescription drug coverage is 85 percent for certified staff and 90 percent for classified staff. The premium is paid from the fund that pays the salary of the covered employee.

Dental insurance is offered to employees through a self-insurance program. The School District contracts with a third party administrator (Superior Dental Corp.) to handle claims administration and stop-loss coverage. The Board pays 100 percent of the monthly premium of \$62.28 per covered employee.

The claims liability of a \$362,917 reported in the internal service fund at June 30, 2022 is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in claims activity for the past two fiscal years are as follows:

| <u>Program</u>                       | <u>Beginning Balance</u> | <u>Current Year Claims</u> | <u>Claims Payments</u>    | <u>Ending Balance</u> |
|--------------------------------------|--------------------------|----------------------------|---------------------------|-----------------------|
| Self Insurance - Health              |                          |                            |                           |                       |
| 2021                                 | \$423,745                | \$1,743,367                | \$1,751,248               | \$415,864             |
| 2022                                 | 415,864                  | 1,975,186                  | 2,028,133 (1)             | 362,917               |
| (1) Cash Payments for Claims         |                          |                            | \$3,550,087               |                       |
| - Stop Loss Received for 2021 Claims |                          |                            | <u>(1,521,954)</u>        |                       |
| Claims Payments                      |                          |                            | <u><u>\$2,028,133</u></u> |                       |

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

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

***Net Pension Liability/Net OPEB Liability***

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

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
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The net pension/OPEB liability (asset) represents the School District's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually. Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

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

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

***Plan Description - School Employees Retirement System (SERS)***

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

Age and service requirements for retirement are as follows:

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
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|                              | Eligible to<br>Retire on or before<br>August 1, 2017 *                          | Eligible to<br>Retire on or after<br>August 1, 2017                                  |
|------------------------------|---|--|
| Full Benefits                | Any age with 30 years of service credit   | Age 67 with 10 years of service credit; or<br>Age 57 with 30 years of service credit |
| Actuarially Reduced Benefits | Age 60 with 5 years of service credit<br>Age 55 with 25 years of service credit | Age 62 with 10 years of service credit; or<br>Age 60 with 25 years of service credit |

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

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

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

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

The School District’s contractually required contribution to SERS was \$356,042 for fiscal year 2022. Of this amount \$41,504 is reported as an intergovernmental payable.

***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](http://www.strsoh.org).

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

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

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

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

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

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

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

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

The School District's contractually required contribution to STRS was \$747,466 for fiscal year 2022. Of this amount \$101,773 is reported as an intergovernmental payable.

**Bellaire Local School District**  
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***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

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

|  | <u>SERS</u>        | <u>STRS</u>        | <u>Total</u> |
|--|--------------------|--------------------|--------------|
| Proportion of the Net Pension Liability: |                    |                    |              |
| Current Measurement Date                 | 0.06994770%        | 0.03973321%        |              |
| Prior Measurement Date                   | <u>0.06194320%</u> | <u>0.03809409%</u> |              |
| Change in Proportionate Share            | <u>0.00800450%</u> | <u>0.00163912%</u> |              |
| <br>                                     |                    |                    |              |
| Proportionate Share of the Net           |                    |                    |              |
| Pension Liability                        | \$2,580,867        | \$5,080,248        | \$7,661,115  |
| Pension Expense                          | \$178,878          | (\$64,842)         | \$114,036    |

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

|  | <u>SERS</u>        | <u>STRS</u>        | <u>Total</u>       |
|--|--------------------|--------------------|--------------------|
| <b>Deferred Outflows of Resources</b>  |                    |                    |                    |
| Differences between expected and actual experience   | \$249              | \$156,955          | \$157,204          |
| Changes of assumptions   | 54,345             | 1,409,352          | 1,463,697          |
| Net difference between projected and actual earnings on pension plan investments   | 0                  | 0                  | 0                  |
| Changes in proportionate Share and difference between School District contributions and proportionate share of contributions | 345,693            | 594,936            | 940,629            |
| School District contributions subsequent to the measurement date   | <u>356,042</u>     | <u>747,466</u>     | <u>1,103,508</u>   |
| Total Deferred Outflows of Resources   | <u>\$756,329</u>   | <u>\$2,908,709</u> | <u>\$3,665,038</u> |
| <br>   |                    |                    |                    |
| <b>Deferred Inflows of Resources</b>   |                    |                    |                    |
| Differences between expected and actual experience   | \$66,932           | \$31,843           | \$98,775           |
| Net difference between projected and actual earnings on pension plan investments   | <u>1,329,222</u>   | <u>4,378,201</u>   | <u>5,707,423</u>   |
| Total Deferred Inflows of Resources  | <u>\$1,396,154</u> | <u>\$4,410,044</u> | <u>\$5,806,198</u> |

\$1,103,508 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:



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|                             | SERS        | STRS          | Total         |
|-----------------------------|-------------|---------------|---------------|
| Fiscal Year Ending June 30: |             |               |               |
| 2023                        | (\$94,207)  | (\$427,614)   | (\$521,821)   |
| 2024                        | (177,628)   | (458,862)     | (636,490)     |
| 2025                        | (316,041)   | (562,248)     | (878,289)     |
| 2026                        | (407,991)   | (800,077)     | (1,208,068)   |
| Total                       | (\$995,867) | (\$2,248,801) | (\$3,244,668) |

***Actuarial Assumptions - SERS***

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

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

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

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

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

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

Mortality rates for 2020 were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement. The most recent experience study was completed for the five year period ended June 30, 2020.

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

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

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

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***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<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1% Increase<br>(8.00%) |
|---|------------------------|-------------------------------------|------------------------|
| School District's proportionate share<br>of the net pension liability | \$4,293,929            | \$2,580,867                         | \$1,136,167            |

***Actuarial Assumptions – STRS***

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

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

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

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

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

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

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

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

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

|   | <u>1% Decrease<br/>(6.00%)</u> | <u>Current<br/>Discount Rate<br/>(7.00%)</u> | <u>1% Increase<br/>(8.00%)</u> |
|---|--------------------------------|--|--------------------------------|
| School's proportionate share of the net pension liability | \$9,513,403                    | \$5,080,248                                  | \$1,334,241                    |

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

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**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](http://www.ohsers.org) under Employers/Audit Resources.

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2022, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the School District's surcharge obligation was \$42,223.

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 \$42,223 for fiscal year 2022. Of this amount \$42,223 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.

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The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

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

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

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

|                                       | SERS        | STRS        | Total       |
|---------------------------------------|-------------|-------------|-------------|
| Proportion of the Net OPEB Liability: |             |             |             |
| Current Measurement Date              | 0.07147580% | 0.03973321% |             |
| Prior Measurement Date                | 0.06298880% | 0.03809409% |             |
| Change in Proportionate Share         | 0.00848700% | 0.00163912% |             |
| Proportionate Share of the:           |             |             |             |
| Net OPEB Liability                    | \$1,352,737 | \$0         | \$1,352,737 |
| Net OPEB (Asset)                      | \$0         | (\$837,740) | (\$837,740) |
| OPEB Expense                          | \$38,579    | (\$76,152)  | (\$37,573)  |

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

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|  | <u>SERS</u>      | <u>STRS</u>      | <u>Total</u>       |
|--|------------------|------------------|--------------------|
| <b>Deferred Outflows of Resources</b>  |                  |                  |                    |
| Differences between expected and actual experience   | \$14,419         | \$29,829         | \$44,248           |
| Changes of assumptions   | 212,212          | 53,511           | 265,723            |
| Changes in proportionate Share and difference between School District contributions and proportionate share of contributions | 283,135          | 77,397           | 360,532            |
| School District contributions subsequent to the measurement date   | <u>42,223</u>    | <u>0</u>         | <u>42,223</u>      |
| Total Deferred Outflows of Resources   | <u>\$551,989</u> | <u>\$160,737</u> | <u>\$712,726</u>   |
| <b>Deferred Inflows of Resources</b>   |                  |                  |                    |
| Differences between expected and actual experience   | \$673,725        | \$153,489        | \$827,214          |
| Changes of assumptions   | 185,247          | 499,773          | 685,020            |
| Net difference between projected and actual earnings on OPEB plan investments  | 29,389           | 232,208          | 261,597            |
| Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions | <u>25,795</u>    | <u>84,615</u>    | <u>110,410</u>     |
| Total Deferred Inflows of Resources  | <u>\$914,156</u> | <u>\$970,085</u> | <u>\$1,884,241</u> |

\$42,223 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

|                             | <u>SERS</u>        | <u>STRS</u>        | <u>Total</u>         |
|-----------------------------|--------------------|--------------------|----------------------|
| Fiscal Year Ending June 30: |                    |                    |                      |
| 2023                        | (\$99,269)         | (\$246,461)        | (\$345,730)          |
| 2024                        | (99,473)           | (240,648)          | (340,121)            |
| 2025                        | (104,010)          | (194,749)          | (298,759)            |
| 2026                        | (80,627)           | (95,711)           | (176,338)            |
| 2027                        | (21,328)           | (32,679)           | (54,007)             |
| Thereafter                  | <u>317</u>         | <u>900</u>         | <u>1,217</u>         |
| Total                       | <u>(\$404,390)</u> | <u>(\$809,348)</u> | <u>(\$1,213,738)</u> |

***Actuarial Assumptions - SERS***

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

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

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

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

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

For 2021, mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

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



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The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2015 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

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

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

|  | 1% Decrease<br>(1.27%)                        | Current<br>Discount Rate<br>(2.27%)                     | 1% Increase<br>(3.27%)                        |
|--|---|---|---|
| School District's proportionate share<br>of the net OPEB liability | \$1,676,206                                   | \$1,352,737   | \$1,094,329                                   |
|  |   |   |   |
|  | 1% Decrease<br>(5.75% decreasing<br>to 3.40%) | Current<br>Trend Rate<br>(6.75% decreasing<br>to 4.40%) | 1% Increase<br>(7.75% decreasing<br>to 5.40%) |
| School District's proportionate share<br>of the net OPEB liability | \$1,041,497                                   | \$1,352,737   | \$1,768,460                                   |

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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**Actuarial Assumptions – STRS**

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

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

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

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

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

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

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

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

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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

|   | 1% Decrease<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1% Increase<br>(8.00%) |
|---|------------------------|-------------------------------------|------------------------|
| School District's proportionate share of the net OPEB asset | (\$706,925)            | (\$837,740)                         | (\$947,020)            |
|   |                        |                                     |                        |
|   | 1% Decrease            | Current<br>Trend Rate               | 1% Increase            |
| School District's proportionate share of the net OPEB asset | (\$942,593)            | (\$837,740)                         | (\$708,085)            |

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

**NOTE 13 - OTHER EMPLOYEE BENEFITS**

***Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five 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. Sick leave may be accumulated up to a maximum of 260 to 275 days for all employees. Upon retirement, payment is made for thirty-five percent of accrued, but unused sick leave credit to a maximum of 91.00 days for classified employees and 96.25 days for certified employees. All certified employees hired after July 1, 2012, and classified employees hired after July 1, 2013, will be paid at twenty-five percent of accrued, but unused sick leave credit to a maximum of 65 days for classified employees and 68.75 days for certified employees.

***Other Insurance Benefits***

The School District provides life insurance to all employees. A \$50,000 life insurance policy is purchased by the School District at a cost of \$4.75 per month. The School District contracts with One America Insurance to provide this benefit. The School District provides vision insurance through Vision Service Plan at a cost of \$16.33 per month.

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

**NOTE 14 - LONG - TERM OBLIGATIONS**

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

|  | Principal<br>Outstanding<br>6/30/21 | Additions        | Deductions         | Principal<br>Outstanding<br>6/30/22 | Amounts<br>Due In<br>One Year |
|--|-------------------------------------|------------------|--------------------|-------------------------------------|-------------------------------|
| <b>General Obligation Bonds:</b>                       |                                     |                  |                    |                                     |                               |
| Direct Borrowing and Direct Placement Bonds:           |                                     |                  |                    |                                     |                               |
| 2015 Qualified Zone Academy Bonds,<br>\$6,000,000 @ 0% | \$6,000,000                         | \$0              | \$0                | \$6,000,000                         | \$0                           |
| <b>Net Pension Liability:</b>                          |                                     |                  |                    |                                     |                               |
| SERS   | 4,097,053                           | 0                | 1,516,186          | 2,580,867                           | 0                             |
| STRS   | 9,217,414                           | 0                | 4,137,166          | 5,080,248                           | 0                             |
| <i>Total Net Pension Liability</i>                     | <u>13,314,467</u>                   | <u>0</u>         | <u>5,653,352</u>   | <u>7,661,115</u>                    | <u>0</u>                      |
| <b>Net OPEB Liability</b>                              |                                     |                  |                    |                                     |                               |
| SERS   | 1,368,954                           | 0                | 16,217             | 1,352,737                           | 0                             |
| Compensated Absences                                   | 1,014,157                           | 143,822          | 156,394            | 1,001,585                           | 103,679                       |
| <i>Total Governmental Activities</i>                   | <u>\$21,697,578</u>                 | <u>\$143,822</u> | <u>\$5,825,963</u> | <u>\$16,015,437</u>                 | <u>\$103,679</u>              |

The School District’s outstanding bonds from direct financing and direct placements totaled \$6,000,000 as of June 30, 2022. Discussion of such issues, including the terms specified in debt agreements related to significant events of default with finance-related consequences and termination events with finance-related consequences, are as follows:

*2015 Qualified Zone Academy Bonds* - On December 1, 2015, the School District issued \$6,000,000 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 building equipment, the Electro Retro Fit energy efficiency project and the Bellaire STEM Education Academy. The QZAB matures in 2030, 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 \$400,000 of base lease payments, annually, beginning on December 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 2030. The value of the fiscal agent account is recorded as restricted investments with fiscal and escrow agents in the debt service fund in the amount of \$2,751,924 at June 30, 2022. 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.

The School District's overall legal debt margin was \$22,878,334, with an unvoted debt margin of \$290,293 at June 30, 2022.

*Net Pension/OPEB Liability* - There is no repayment schedule for the net pension liability or net OPEB liability. However, employer pension contributions are made from the following funds the General Fund, Miscellaneous State Grant, Miscellaneous Federal Grant, Title I, and the Food Service Special Revenue Funds. For additional information related to the net pension liability and the net OPEB liability, see notes 11 and 12 respectively.

*Compensated absences* - The School District pays compensated absences from the General Fund.

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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**NOTE 15 - 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                     | \$120,636                        |
| ESSER                       | 20,534                           |
| Other Nonmajor Governmental | <u>2,103,135</u>                 |
| <b>Total</b>                | <b><u><u>\$2,244,305</u></u></b> |

***Construction Commitments***

The School District has entered into contractual commitments for construction/improvement projects. A summary of these commitments is presented below.

| <u>Project</u>            | <u>Fund</u>                | <u>Contract<br/>Amount</u> | <u>Completed as of<br/>6/30/2022</u> | <u>Amount<br/>Remaining<br/>on Contract</u> |
|---------------------------|----------------------------|----------------------------|--------------------------------------|---|
| Nelson Field Improvements | Permanent Improvement Fund | <u>\$1,834,770</u>         | <u>\$1,639,693</u>                   | <u>\$195,077</u>                            |

**NOTE 16 - INTERNAL BALANCES**

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

| <u>Interfund Payable</u>    | <u>Interfund Receivable</u>    |                                | <u>Total</u>                   |
|-----------------------------|--------------------------------|--------------------------------|--------------------------------|
|                             | <u>General</u>                 | <u>Schoolwide Pool</u>         |                                |
| General                     | \$0                            | \$198,789                      | \$198,789                      |
| ESSER                       | 109,100                        | 0                              | 109,100                        |
| Other Nonmajor Governmental | <u>17,851</u>                  | <u>97,374</u>                  | <u>115,225</u>                 |
| <b>Total</b>                | <b><u><u>\$126,951</u></u></b> | <b><u><u>\$296,163</u></u></b> | <b><u><u>\$423,114</u></u></b> |

The balance due to the Schoolwide Pool Fund from the General Fund and Other Nonmajor 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. The loans made to Other Nonmajor Governmental Funds were used to cover actual cash deficits in the Miscellaneous Federal Special Revenue Funds and Elementary and Secondary School Emergency Relief (ESSER) Special Revenue Fund to support the programs until the grant monies are received.

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

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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| <u>Transfers from</u> | Transfers to       |                          |                                | <u>Total</u> |
|-----------------------|--------------------|--------------------------|--------------------------------|--------------|
|                       | Schoolwide<br>Pool | Permanent<br>Improvement | Other Nonmajor<br>Governmental |              |
| General               | \$1,794,081        | \$862,771                | \$400,000                      | \$3,056,852  |

Transfers from the General Fund to the Schoolwide Pool Fund were used to move receipts in accordance with the schoolwide building program. Transfers from the General Fund to Other Nonmajor Governmental Funds were for the annual debt service sinking payments to the QZAB debt service escrow account; to accumulate resources for capital projects; and to provide operating resources for the Miscellaneous Local, and Student Activities Special Revenue Funds.

**NOTE 17 - 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. The Board exercises total control over the district including budgeting, appropriating, contracting, and designates management. During fiscal year 2022, the School District made no contributions to the 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 2022, the total amount paid to OME-RESA from the School District was \$18,269 for technology services and \$22,917 for financial accounting services and educational management information. The Jefferson County Educational Service Center serves as the fiscal agent. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency, Treasurer, at 2023 Sunset Blvd., Steubenville, Ohio 43952.

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

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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**NOTE 18 - PUBLIC ENTITY POOLS**

***Insurance Purchasing Pools***

*Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP)* - The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the 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 GRP to cover the costs of administering the program. The School District's enrollment fee of \$775 for policy year 2022 was paid to Paramount Preferred Solutions.

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

***Risk-Sharing, Claims Servicing, and Insurance Purchasing Pool***

*The Jefferson Health Plan Self-Insurance Plan* - The School District participates in the Jefferson Health Plan Self-Insurance Plan, formerly known as the Ohio Mid-Eastern Regional Educational Service Agency, Self-Insurance Plan, a risk-sharing, claims servicing, and insurance purchasing pool comprised of over one hundred eighty members. Each participant appoints a member of the insurance plans' assembly. The Plans' business and affairs are conducted by a nine member Board of Directors elected from the assembly. The plan offers medical, dental, vision, and prescription drug coverage to the members on a self-insured basis, as well as the opportunity to participate in the group purchasing of life insurance coverage. The medical coverage plan provides each plan participant the opportunity to choose a self-insurance deductible limit which can range from \$35,000 to \$500,000 under which the individual member is responsible for all claims through the claims servicing pool. Plan participants also participate in a shared risk internal pool for individual claims between the self-insurance deductible limit and \$1,500,000, and all claims between the deductible and the \$1,500,000 are paid from the internal shared risk pool. The internal pool is not owned by the plan participants. All participants pay a premium rate that is actuarially calculated based on the participants' actual claims experience which are utilized for the payment of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. All participants pay an additional fee for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool pays dividends to the participants. For all individual claims exceeding \$1,500,000, stop loss coverage is purchased, as well as for an annual total plan aggregate claims amount. All plan participants also pay a monthly administrative fee for fiscal services and third party administrative services. The plan also purchases fully insured life insurance for plan participants provided by One America.

**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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**NOTE 19 - RELATED ORGANIZATION**

*Bellaire Public Library* - The Bellaire Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Bellaire Local School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operating subsidies. Although the School District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Bellaire Public Library, Clerk/Treasurer, at 32<sup>nd</sup> and Guernsey Street, Bellaire, Ohio 43906.

**NOTE 20 - 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 year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years.

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

|  | <u>Capital<br/>Improvements</u> |
|--|---------------------------------|
| Set-aside Restricted Balance as of June 30, 2021 | \$0                             |
| Current Year Set-aside Requirement               | 199,577                         |
| Current Year Offsets                             | (1,211,632)                     |
| Totals   | (\$1,012,055)                   |
| Balance Carried Forward to Fiscal Year 2023      | \$0                             |
| Set-aside Restricted Balance as of June 30, 2022 | \$0                             |

The School District had current year offsets which reduced the set-aside amount to below zero for the capital maintenance set-aside, which may not be carried forward to future years. The School District also had current year and prior year capital expenditures from bond proceeds in connection with capital projects that may be carried forward to offset future set-aside requirements.

**NOTE 21 - CONTINGENCIES**

***Grants***

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



**Bellaire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*

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***Litigation***

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

***Oil/Gas Leases***

*XTO Energy, Inc.* – The Board of Education has entered into a “Paid-Up” Oil and Gas Lease with XTO Energy Inc. The lease is for 14.20 acres of property owned by the Bellaire Board of Education and is effective May 20, 2016, for a two year period. In consideration of the execution of the lease, the School District received a signing bonus in the amount of \$45,000 during fiscal year 2017. The lease calls for payments to the School District, in addition to the bonus, royalties in the amount of 20 percent 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.

*Gulfport Energy Corporation* – The Board of Education has entered into a “Paid-Up” Oil and Gas Lease with Gulfport Energy Corporation. The lease is for 12.00 acres of property owned by the Bellaire Board of Education and is effective June 24, 2016, for a five year period. In consideration of the execution of the lease, the School District received a signing bonus in the amount of \$42,000 during fiscal year 2017. The lease calls for payments to the School District, in addition to the bonus, royalties in the amount of 17 percent 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.

At the date of the financial statements, the full value of any potential future royalties cannot be determined.

Total carrying value of leased land is \$665,708.

**NOTE 22 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During fiscal year 2022, the School District received COVID-19 funding. The School District’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. The financial impact of COVID-19 and the continuing recovery measures will impact subsequent periods of the School District. The impact on the School District’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

**Bellaire Local School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*School Employees Retirement System of Ohio*  
*Last Nine Fiscal Years (1)\**

|   | 2022        | 2021        | 2020        | 2019        | 2018        |
|---|-------------|-------------|-------------|-------------|-------------|
| School District's Proportion of the Net Pension Liability   | 0.06994770% | 0.06194320% | 0.05880000% | 0.06070480% | 0.05753860% |
| School District's Proportionate Share of the Net Pension Liability  | \$2,580,867 | \$4,097,053 | \$3,518,108 | \$3,476,676 | \$3,437,803 |
| School District's Covered Payroll   | \$2,414,414 | \$2,171,593 | \$2,017,170 | \$1,982,037 | \$1,755,343 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 106.89%     | 188.67%     | 174.41%     | 175.41%     | 195.85%     |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                | 82.86%      | 68.55%      | 70.85%      | 71.36%      | 69.50%      |

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

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

See accompanying notes to required supplementary information

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| <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|-------------|-------------|-------------|-------------|
| 0.05694480% | 0.59326200% | 0.06358900% | 0.06358900% |
| \$4,167,835 | \$3,385,211 | \$3,218,203 | \$3,781,433 |
| \$1,784,900 | \$1,796,039 | \$1,845,296 | \$1,935,388 |
| 233.51%     | 188.48%     | 174.40%     | 195.38%     |
| 62.98%      | 69.16%      | 71.70%      | 65.52%      |

**Bellaire Local School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*State Teachers Retirement System of Ohio*  
*Last Nine Fiscal Years (1)\**

|   | 2022        | 2021        | 2020        | 2019        | 2018        |
|---|-------------|-------------|-------------|-------------|-------------|
| School District's Proportion of the Net Pension Liability   | 0.03973321% | 0.03809409% | 0.03737882% | 0.03592031% | 0.03198396% |
| School District's Proportionate Share of the Net Pension Liability  | \$5,080,248 | \$9,217,414 | \$8,266,101 | \$7,898,070 | \$7,597,858 |
| School District's Covered Payroll   | \$4,984,071 | \$4,614,779 | \$4,391,279 | \$4,121,600 | \$3,571,771 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 101.93%     | 199.74%     | 188.24%     | 191.63%     | 212.72%     |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                | 87.80%      | 75.50%      | 77.40%      | 77.30%      | 75.30%      |

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

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

See accompanying notes to required supplementary information

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| <u>2017</u>  | <u>2016</u>  | <u>2015</u> | <u>2014</u>  |
|--------------|--------------|-------------|--------------|
| 0.03752161%  | 0.03838273%  | 0.03846581% | 0.03846581%  |
| \$12,559,613 | \$10,607,863 | \$9,356,216 | \$11,145,062 |
| \$3,944,179  | \$4,006,729  | \$3,896,254 | \$4,178,182  |
| 318.43%      | 264.75%      | 240.13%     | 266.74%      |
| 66.80%       | 72.10%       | 74.70%      | 69.30%       |

**Bellaire Local School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net OPEB Liability*  
*School Employees Retirement System of Ohio*  
*Last Six Fiscal Years (1)\**

|  | 2022        | 2021        | 2020        | 2019        | 2018        | 2017        |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| School District's Proportion of the Net OPEB Liability   | 0.07147580% | 0.06298880% | 0.05971740% | 0.06116250% | 0.05818140% | 0.05766010% |
| School District's Proportionate Share of the Net OPEB Liability  | \$1,352,737 | \$1,368,954 | \$1,501,767 | \$1,696,813 | \$1,561,436 | \$1,643,526 |
| School District's Covered Payroll  | \$2,414,414 | \$2,171,593 | \$2,017,170 | \$1,982,037 | \$1,755,343 | \$1,784,900 |
| School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 56.03%      | 63.04%      | 74.45%      | 85.61%      | 88.95%      | 92.08%      |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                                | 24.08%      | 18.17%      | 15.57%      | 13.57%      | 12.46%      | 11.49%      |

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

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

See accompanying notes to required supplementary information

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

|  | 2022        | 2021        | 2020        | 2019        | 2018        | 2017        |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| School District's Proportion of the Net OPEB (Asset) Liability   | 0.03973321% | 0.03809409% | 0.03737882% | 0.03592031% | 0.03198396% | 0.03752161% |
| School District's Proportionate Share of the Net OPEB (Asset) Liability  | (\$837,740) | (\$669,504) | (\$619,083) | (\$557,201) | \$1,247,896 | \$2,006,665 |
| School District's Covered Payroll  | \$4,984,071 | \$4,614,779 | \$4,391,279 | \$4,121,600 | \$3,571,117 | \$3,944,179 |
| School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll | -16.81%     | -14.51%     | -14.10%     | -13.52%     | 34.94%      | 50.88%      |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset) Liability                                | 174.70%     | 182.10%     | 174.70%     | 176.00%     | 47.10%      | 37.30%      |

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

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

See accompanying notes to required supplementary information

**Bellaire Local School District**  
*Required Supplementary Information*  
*Schedule of School District Contributions*  
*School Employees Retirement System of Ohio*  
*Last Ten Fiscal Years*

|  | <u>2022</u>      | <u>2021</u>      | <u>2020</u>      | <u>2019</u>      |
|--|------------------|------------------|------------------|------------------|
| <b>Net Pension Liability</b>   |                  |                  |                  |                  |
| Contractually Required Contribution                                  | \$356,042        | \$338,018        | \$304,023        | \$272,318        |
| Contributions in Relation to the Contractually Required Contribution | <u>(356,042)</u> | <u>(338,018)</u> | <u>(304,023)</u> | <u>(272,318)</u> |
| Contribution Deficiency (Excess)                                     | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| School District Covered Payroll (1)                                  | \$2,543,157      | \$2,414,414      | \$2,171,593      | \$2,017,170      |
| Contributions as a Percentage of Covered Payroll                     | 14.00%           | 14.00%           | 14.00%           | 13.50%           |
| <b>Net OPEB Liability</b>  |                  |                  |                  |                  |
| Contractually Required Contribution (2)                              | \$42,223         | \$42,919         | \$34,365         | \$44,000         |
| Contributions in Relation to the Contractually Required Contribution | <u>(42,223)</u>  | <u>(42,919)</u>  | <u>(34,365)</u>  | <u>(44,000)</u>  |
| Contribution Deficiency (Excess)                                     | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| OPEB Contributions as a Percentage of Covered Payroll                | <u>1.66%</u>     | <u>1.78%</u>     | <u>1.58%</u>     | <u>2.18%</u>     |
| Total Contributions as a Percentage of Covered Payroll (2)           | <u>15.66%</u>    | <u>15.78%</u>    | <u>15.58%</u>    | <u>15.68%</u>    |

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

(2) Includes Surcharge

See accompanying notes to required supplementary information



| <u>2018</u>      | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      | <u>2013</u>      |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$267,575        | \$245,748        | \$249,886        | \$236,718        | \$255,758        | \$267,858        |
| <u>(267,575)</u> | <u>(245,748)</u> | <u>(249,886)</u> | <u>(236,718)</u> | <u>(255,758)</u> | <u>(267,858)</u> |
| <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| \$1,982,037      | \$1,755,343      | \$1,784,900      | \$1,796,039      | \$1,845,296      | \$1,935,388      |
| 13.50%           | 14.00%           | 14.00%           | 13.18%           | 13.86%           | 13.84%           |
| \$41,076         | \$30,753         | \$28,974         | \$45,703         | \$35,136         | \$38,209         |
| <u>(41,076)</u>  | <u>(30,753)</u>  | <u>(28,974)</u>  | <u>(45,703)</u>  | <u>(35,136)</u>  | <u>(38,209)</u>  |
| <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| <u>2.07%</u>     | <u>1.75%</u>     | <u>1.62%</u>     | <u>2.54%</u>     | <u>1.90%</u>     | <u>1.97%</u>     |
| <u>15.57%</u>    | <u>15.75%</u>    | <u>15.62%</u>    | <u>15.72%</u>    | <u>15.76%</u>    | <u>15.81%</u>    |

**Bellaire Local School District**  
*Required Supplementary Information*  
*Schedule of School District Contributions*  
*State Teachers Retirement System of Ohio*  
*Last Ten Fiscal Years*

|  | <u>2022</u>      | <u>2021</u>      | <u>2020</u>      | <u>2019</u>      |
|--|------------------|------------------|------------------|------------------|
| <b>Net Pension Liability</b>   |                  |                  |                  |                  |
| Contractually Required Contribution                                  | \$747,466        | \$697,770        | \$646,069        | \$614,779        |
| Contributions in Relation to the Contractually Required Contribution | <u>(747,466)</u> | <u>(697,770)</u> | <u>(646,069)</u> | <u>(614,779)</u> |
| Contribution Deficiency (Excess)                                     | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| School District Covered Payroll (1)                                  | \$5,339,043      | \$4,984,071      | \$4,614,779      | \$4,391,279      |
| Contributions as a Percentage of Covered Payroll                     | 14.00%           | 14.00%           | 14.00%           | 14.00%           |
| <b>Net OPEB Liability</b>  |                  |                  |                  |                  |
| Contractually Required Contribution                                  | \$0              | \$0              | \$0              | \$0              |
| Contributions in Relation to the Contractually Required Contribution | <u>0</u>         | <u>0</u>         | <u>0</u>         | <u>0</u>         |
| Contribution Deficiency (Excess)                                     | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| OPEB Contributions as a Percentage of Covered Payroll                | <u>0.00%</u>     | <u>0.00%</u>     | <u>0.00%</u>     | <u>0.00%</u>     |
| Total Contributions as a Percentage of Covered Payroll               | <u>14.00%</u>    | <u>14.00%</u>    | <u>14.00%</u>    | <u>14.00%</u>    |

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

See accompanying notes to required supplementary information

| <u>2018</u>      | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      | <u>2013</u>      |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$577,024        | \$500,048        | \$552,185        | \$560,942        | \$506,513        | \$543,164        |
| <u>(577,024)</u> | <u>(500,048)</u> | <u>(552,185)</u> | <u>(560,942)</u> | <u>(506,513)</u> | <u>(543,164)</u> |
| <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| \$4,121,600      | \$3,571,771      | \$3,944,179      | \$4,006,729      | \$3,896,254      | \$4,178,182      |
| 14.00%           | 14.00%           | 14.00%           | 14.00%           | 13.00%           | 13.00%           |
| \$0              | \$0              | \$0              | \$0              | \$38,963         | \$41,782         |
| <u>0</u>         | <u>0</u>         | <u>0</u>         | <u>0</u>         | <u>(38,963)</u>  | <u>(41,782)</u>  |
| <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| <u>0.00%</u>     | <u>0.00%</u>     | <u>0.00%</u>     | <u>0.00%</u>     | <u>1.00%</u>     | <u>1.00%</u>     |
| <u>14.00%</u>    | <u>14.00%</u>    | <u>14.00%</u>    | <u>14.00%</u>    | <u>14.00%</u>    | <u>14.00%</u>    |

**Bellaire Local School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2022*

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**Net Pension Liability**

**Changes in Assumptions – SERS**

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

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

|   | Fiscal Year 2022                      | Fiscal Years 2021-2017  | Fiscal Year 2016 and Prior                                      |
|---|---------------------------------------|---|---|
| Wage Inflation                                  | 2.4 percent                           | 3.00 percent  | 3.25 percent  |
| Future Salary Increases,<br>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<br>system expenses | 7.50 percent net of investments<br>expense, including inflation | 7.75 percent net of investments<br>expense, including inflation |

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

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

**Changes in Assumptions - STRS**

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

**Bellaire Local School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2022*

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

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

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

**Net OPEB Liability**

**Changes in Assumptions – SERS**

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

|  | 2022   | 2021 and Prior   |
|--|--|--|
| Inflation  | 2.40 percent   | 3.00 percent   |
| Future Salary Increases, including inflation<br>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<br>expense, including inflation | 7.50 percent net of investment<br>expense, including inflation |

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

**Bellaire Local School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2022*

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Municipal Bond Index Rate:

|                  |              |
|------------------|--------------|
| Fiscal year 2022 | 1.92 percent |
| Fiscal year 2021 | 2.45 percent |
| Fiscal year 2020 | 3.13 percent |
| Fiscal year 2019 | 3.62 percent |
| Fiscal year 2018 | 3.56 percent |
| Fiscal year 2017 | 2.92 percent |

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

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

**Changes in Assumptions – STRS**

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

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

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

**Changes in Benefit Terms – STRS OPEB**

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

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

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

**Bellaire Local School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2022*

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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.

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**BELLAIRE LOCAL SCHOOL DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

| <b>FEDERAL GRANTOR/<br/>Pass-Through Grantor<br/>Program/ Cluster Title</b>   | <b>Federal<br/>AL<br/>Number</b> | <b>Pass-through<br/>Entity Identifying<br/>Number</b> | <b>Provided<br/>Through to<br/>Subrecipients</b> | <b>Total Federal<br/>Expenditures</b> |
|---|----------------------------------|---|--|---------------------------------------|
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>   |                                  |   |  |                                       |
| <i>Passed Through Ohio Department of Education</i>                            |                                  |   |  |                                       |
| Child Nutrition Cluster:  |                                  |   |  |                                       |
| Non-Cash Assistance:  |                                  |   |  |                                       |
| National School Lunch Program - Food Donation                                 | 10.555                           | N/A   | \$0  | \$45,473                              |
| Cash Assistance:  |                                  |   |  |                                       |
| School Breakfast Program  | 10.553                           | 043570-05PU-22  | 0  | 212,764                               |
| National School Lunch Program   | 10.555                           | 043570-LLP4-22  | 0  | 392,039                               |
| National School Lunch Program - Covid-19                                      | 10.555                           | 043570-LLP4-22  | 0  | 60,735                                |
| Cash Assistance Subtotal  |                                  |   | <u>0</u>   | <u>665,538</u>                        |
| Total Child Nutrition Cluster   |                                  |   | 0  | 711,011                               |
| State Pandemic Electronic Benefit Transfer Administrative Cost                | 10.649                           | 2022  | <u>0</u>   | <u>614</u>                            |
| Total U.S. Department of Agriculture  |                                  |   | 0  | 711,625                               |
| <b>U.S. DEPARTMENT OF EDUCATION</b>   |                                  |   |  |                                       |
| <i>Passed Through Ohio Department of Education</i>                            |                                  |   |  |                                       |
| Title I Grants to Local Educational Agencies                                  | 84.010                           | 043570-C1S1-21  | 0  | 67,830                                |
|   |                                  | 043570-C1S1-22  | 0  | 331,242                               |
| Title I Noncompetitive Supplemental School Improvement                        |                                  | 2021  | 0  | 11,292                                |
|   |                                  | 2022  | 0  | 3,425                                 |
| Expanding Opportunities for Each Child  |                                  | 2022  | 0  | 170                                   |
| Total Title I Grants to Local Educational Agencies                            |                                  |   | <u>0</u>   | <u>413,959</u>                        |
| Special Education Cluster (IDEA):   |                                  |   |  |                                       |
| Special Education, Grants to States (IDEA, Part B)                            | 84.027                           | 043570-6BSF-21  | 0  | 53,249                                |
|   |                                  | 043570-6BSF-22  | 0  | 275,635                               |
| Total Special Education, Grants to States (IDEA, Part B)                      |                                  |   | <u>0</u>   | <u>328,884</u>                        |
| Special Education - Preschool Grants (IDEA Preschool)                         | 84.173                           | n/a   | <u>4,948</u>                                     | <u>4,948</u>                          |
| Total Special Education Cluster (IDEA)  |                                  |   | 4,948  | 333,832                               |
| Supporting Effective Instruction State Grants                                 | 84.367                           | 043570-TRS1-21  | 0  | 8,839                                 |
|   |                                  | 043570-TRS1-22  | 0  | 44,425                                |
| Total Supporting Effective Instruction State Grants                           |                                  |   | <u>0</u>   | <u>53,264</u>                         |
| Title IV, Part A Student Support and Academic Enrichment Grant                | 84.424A                          | 043570-21   | 0  | 5,508                                 |
|   |                                  | 043570-22   | 0  | 27,892                                |
| Total Title IV, Part A Student Support and Academic Enrichment Grant          |                                  |   | <u>0</u>   | <u>33,400</u>                         |
| Elementary and Secondary School Emergency Relief Fund I                       | 84.425D                          | 2021  | 0  | 127,412                               |
| Elementary and Secondary School Emergency Relief Fund II                      | 84.425D                          | 2022  | 0  | 525,072                               |
| American Rescue Plan Elementary and Secondary School Emergency Relief Fund    | 84.425U                          | 2022  | 0  | 2,545,166                             |
| Total Elementary and Secondary School Emergency Relief Fund                   |                                  |   | <u>0</u>   | <u>3,197,650</u>                      |
| Total U.S. Department of Education  |                                  |   | 4,948  | 4,032,105                             |
| <b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>                           |                                  |   |  |                                       |
| <i>Passed Through Ohio Department of Mental Health and Addiction Services</i> |                                  |   |  |                                       |
| Block Grants for Prevention and Treatment of Substance Abuse                  | 93.959                           | 2021  | 0  | 14,031                                |
|   |                                  | 2022  | 0  | 12,781                                |
| Total U.S. Department of Health and Human Services                            |                                  |   | <u>0</u>   | <u>26,812</u>                         |
| <b>Total Expenditures of Federal Awards</b>                                   |                                  |   | <u><u>\$4,948</u></u>                            | <u><u>\$4,770,542</u></u>             |

The accompanying notes are an integral part of this Schedule.

**BELLAIRE LOCAL SCHOOL DISTRICT  
BELMONT COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR PART 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Bellaire Local School District (the School District) under programs of the federal government for the year ended June 30, 2022. 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, changes in net position, or cash flows 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 U.S. Department of Education to other governments or not-for-profit agencies (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 fair 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  
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(800) 282-0370

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

Bellaire Local School District  
Belmont County  
340 34<sup>th</sup> Street  
Bellaire, Ohio 43906

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 Bellaire Local School District, Belmont County, Ohio (the School District), as of and for the year ended June 30, 2022, 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 2, 2023.

### ***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 opinions 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 2, 2023



**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**

Bellaire Local School District  
Belmont County  
340 34<sup>th</sup> Street  
Bellaire, Ohio 43906

To the Board of Education:

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

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

We have audited Bellaire Local 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 Bellaire Local School District's major federal program for the year ended June 30, 2022. Bellaire Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, Bellaire Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

***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 2, 2023

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**BELLAIRE LOCAL SCHOOL DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2022**

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

|                     |  |  |
|---------------------|--|--|
| <b>(d)(1)(i)</b>    | <b>Type of Financial Statement Opinion</b>   | Unmodified                                 |
| <b>(d)(1)(ii)</b>   | <b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>   | No   |
| <b>(d)(1)(ii)</b>   | <b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>  | No   |
| <b>(d)(1)(iii)</b>  | <b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>   | No   |
| <b>(d)(1)(iv)</b>   | <b>Were there any material weaknesses in internal control reported for major federal programs?</b>   | No   |
| <b>(d)(1)(iv)</b>   | <b>Were there any significant deficiencies in internal control reported for major federal programs?</b>  | No   |
| <b>(d)(1)(v)</b>    | <b>Type of Major Programs' Compliance Opinion</b>  | Unmodified                                 |
| <b>(d)(1)(vi)</b>   | <b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>   | No   |
| <b>(d)(1)(vii)</b>  | <b>Major Programs (list):</b><br><ul style="list-style-type: none"> <li>• Education Stabilization Fund – Elementary and Secondary School Emergency Relief (ESSER), AL #84.425</li> </ul> |  |
| <b>(d)(1)(viii)</b> | <b>Dollar Threshold: Type A/B Programs</b>   | Type A: > \$ 750,000<br>Type B: all others |
| <b>(d)(1)(ix)</b>   | <b>Low Risk Auditee under 2 CFR § 200.520?</b>   | Yes  |

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

None

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

None

# BELLAIRE LOCAL SCHOOL DISTRICT

340 34th Street - Bellaire, OH 43906-1513 - 740 - 676-1826 - FAX 740 - 671-6002

Derrick McAfee  
Superintendent

Cathy Moore  
Treasurer



**BOARD OF EDUCATION:**

Jason Ayers

James LaRoche

William Marinelli

Susie Rataiczak

Jim Thoburn

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 2 CFR 200.511(b) JUNE 30, 2022

| Finding Number | Finding Summary  | Status    | Additional Information |
|----------------|--|-----------|------------------------|
| 2021-001       | Significant Deficiency for employment contracts not present in the employee personnel file for 13% of employment contracts tested. | Corrected |                        |

# OHIO AUDITOR OF STATE KEITH FABER



**BELLAIRE LOCAL 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 3/16/2023**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)