OHIO AUDITOR OF STATE
KEITH FABER

FOXFIRE HIGH SCHOOL
MUSKINGUM COUNTY
JUNE 30, 2023

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Foxfire High School
Muskingum County
2805 Pinkerton Road
Zanesville, Ohio 43701

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Foxfire High School, Muskingum County, Ohio (the High School), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the High School'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 financial position of the Foxfire High School, Muskingum County, Ohio as of June 30, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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 High School, 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 opinion.

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 High School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 High School'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 High School'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 an opinion on the financial statements that collectively comprise the High School's basic financial statements. The Schedule of Receipts and Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2024, on our consideration of the High School'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 High School'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 High School's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

February 5, 2024

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The discussion and analysis of the Foxfire High School's (High School) financial performance provides an overall review of the High School's financial activities for the fiscal year ended June 30, 2023. Readers should also review the basic financial statements and notes to enhance their understanding of the High School's financial performance.

Highlights

The High School opened for its first year of operation in fiscal year 2004 for high school age students and above who have dropped out or are at risk of dropping out of school. During fiscal year 2017, the High School began to serve students in grades four through twelve. This change was due to a change made by the Ohio Department of Education that allows fourth through eighth grades to be served through a drop-out, recovery, and prevention school. The High School was a drop-out, recovery, and prevention school since their first year of operation through fiscal year 2018. The High School was not considered a drop-out, recovery, and prevention school for fiscal year 2019 due to the majority of students served being under the age of 16. During fiscal year 2020, the High School relocated grades fourth through eighth to the Foxfire Intermediate School so that the average age of the High School's students would be over 16 years of age. During fiscal years 2020 through 2023, the High School was considered a drop-out, recovery, and prevention school and provided services to 256 full-time students.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements.

The statement of net position and the statement of revenues, expenses, and changes in net position reflect how the High School did financially during fiscal year 2023. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current fiscal years' revenues and expenses regardless of when cash is received or paid.

These statements report the High School's net position and changes in position. The change in net position is important because it tells the reader whether the financial position of the High School has increased or decreased from the prior year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating.

All of the High School's activities are reported in a single enterprise fund. Table 1 provides a summary of the High School's net position for 2023 compared to 2022:

Table 1 - Net Position (Continued)

	2023	2022	Change
Assets:			
Current and Other Assets	$2,437,832	$1,976,648	$461,184
Net OPEB Asset	204,118	169,837	34,281
Capital Assets	1,932,894	1,997,968	(65,074)
Total Assets	4,574,844	4,144,453	430,391
Deferred Outflows of Resources:			
Pension	596,569	685,434	(88,865)
OPEB	163,252	243,859	(80,607)
Total Deferred Outflows of Resources	759,821	929,293	(169,472)
Liabilities:			
Current and Other Liabilities	507,007	433,136	73,871
Long-Term Liabilities:			
Due Within One Year	71,054	67,343	3,711
Due in More Than One Year:			
Net Pension Liability	2,790,137	1,758,677	1,031,460
Net OPEB Liability	261,278	354,673	(93,395)
Other Amounts	361,449	629,538	(268,089)
Total Liabilities	3,990,925	3,243,367	747,558
Deferred Inflows of Resources:			
Pension	786,488	2,138,922	(1,352,434)
OPEB	573,338	551,781	21,557
Total Deferred Inflows of Resources	1,359,826	2,690,703	(1,330,877)
Net Position:			
Net Investment in Capital Assets	1,622,061	1,415,246	206,815
Restricted for OPEB Plans	96,353	100,064	(3,711)
Unrestricted (Deficits)	(1,734,500)	(2,375,634)	641,134
Total Net Position (Deficits)	($16,086)	($860,324)	$844,238

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

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick 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 increased by $430,391 during fiscal year 2023. This increase is mainly attributable to an increase in current and other assets in the amount of $461,184 and an increase in net OPEB asset in the amount of $34,281. Cash and cash equivalents increased in the amount of $487,092 mainly due to an increase in State foundation funding due to a slight increase in students. These increases were offset by a decrease in intergovernmental receivables in the amount of $33,635 due to a decrease in reimbursements from Muskingum County Job and Family Services for student work programs in June 2023 compared to June 2022. There was an increase in accounts receivable due to grant awards from local foundations. The net OPEB asset was the High School's portion of the State Teachers Retirement System net OPEB asset (See Note 10). Capital assets decreased during fiscal year 2023 due to depreciation exceeding current year purchases.

Total liabilities increased $747,558 during fiscal year 2023. The main reason for this increase is attributed to the increase in long-term liabilities in the areas of net pension liability, which is a reflection of the High School's portion of the School Employees Retirement System and the State Teachers Retirement System liabilities. The current year principal payments were $271,889 which included extra principal payments and the amount due within one year is $71,054. The increase in current and other liabilities is primarily due to an increase in unearned revenue in the amount of $88,178 due to a new fiscal year 2023 Ohio Facilities Construction Commission School Safety Grant.

Table 2 reflects the changes in net position for fiscal year ended June 30, 2023, and comparisons to fiscal year 2022.

Table 2 - Change in Net Position

	2023	2022	Change
Operating Revenues:			
Foundation	$2,954,433	$2,867,657	$86,776
Rentals	125	0	125
Charges for Services	187,750	285,827	(98,077)
Total Operating Revenues	3,142,308	3,153,484	(11,176)
Non-Operating Revenues:			
State and Federal Grants	1,067,164	1,206,302	(139,138)
Investment Earnings/Interest	38,551	1,203	37,348
Donations	20,950	5,000	15,950
Other Non-Operating Revenues	4,497	5,590	(1,093)
Total Non-Operating Revenues	1,131,162	1,218,095	(86,933)
Total Revenues	4,273,470	4,371,579	(98,109)
Operating Expenses:			
Salaries	1,767,716	1,624,180	143,536
Fringe Benefits	371,916	247,366	124,550
Purchased Services	982,609	1,074,320	(91,711)
Materials and Supplies	176,585	109,204	67,381
Cost of Sales	12,015	16,465	(4,450)
Depreciation	94,147	106,922	(12,775)
Total Operating Expenses	3,404,988	3,178,457	226,531
Non-Operating Expenses:			
Interest and Fiscal Charges	24,244	33,773	(9,529)
Total Expenses	3,429,232	3,212,230	217,002
Change in Net Position	844,238	1,159,349	(315,111)
Net Position (Deficit) Beginning of Year	(860,324)	(2,019,673)	1,159,349
Net Position (Deficit) End of Year	($16,086)	($860,324)	$844,238

During fiscal year 2023, operating revenues decreased in the amount of $11,176. This decrease in operating revenues is the result of a decrease in charges for services due to a decrease in student programs. There were several programs available in fiscal year 2022 that were not available for students in fiscal year 2023: social worker, blue collar, rookie, discovery, and some after school programs. These decreases in programs also resulted in a decrease in purchased services expenses. Non-operating revenues decreased due primarily to the decreases in State and federal grant funding for education programs and decreases in available COVID-19 recovery related monies. These decreases in State and federal grants were offset by increases in investment earnings/interest revenue and donations. Investment earnings/interest revenue increased due to an increase in monies invested and due an increase in interest rates. Donations increased due to donations being awarded from local foundations.

Operating expenses increased in fiscal year 2023 in the amount of $226,531. The largest increases in program expenses are in salaries due to an increase in wages and fringe benefits due to increases in salary related expenses and the result of changes in required pension and OPEB obligations (See Notes 9 and 10). As a result, pension and OPEB expenses increased from ($12,865) in fiscal year 2022 to $325 for fiscal year 2023. Purchased services decreased during fiscal year 2023 due to fiscal year 2022 being a higher year for purchased services due to some architectural fees for the planning of a new administration building. These expenses were not capitalized as assets in fiscal year 2022 due to the High School deciding not to pursue this project due to the rise in inflation and high costs of building materials. Materials and supplies increased in fiscal year 2023 primarily due to purchases of equipment and repairs that were under the $1,000 capital asset threshold.

During fiscal year 2023, salaries and fringe benefits accounted for 63 percent and purchased services accounted for 29 percent of the operating expenses. All remaining expenses within operating expenses accounted for 8 percent.

Budgeting

The High School is not required to follow the budgetary provisions set forth in Ohio Revised Code Chapter 5705.

Capital Assets and Debt Administration

Capital Assets - During fiscal year 2023, the High School had $2,392,821 in capital assets and accumulated depreciation in the amount of $459,927. See Note 4 for additional information regarding capital assets.

Debt - The High School entered into a loan with Peoples State Bank during fiscal year 2020 for the purchase of a school building and land in the amount of $750,000. Principal payments for fiscal year 2023 were $271,889. The net pension/OPEB liability under GASB 68 and 75 is reported as a long-term obligation that has been previously disclosed within the management's discussion and analysis. See Note 12 for more detailed information of the High School's debt.

Current Design

The High School is different than a traditional high school in that the High School is designated as a Drop-Out Recovery and Prevention School. It is designed to operate as an open, non-discriminatory manner where students can work at their own pace to earn a high school diploma. The High School operates under the "Care Team" philosophy by joining forces with the area social agencies in an effort to increase a student's developmental assets and eliminate the barriers to academic achievement. The High School's staff meets weekly with its "Care Team" to identify the students who are struggling, determine barriers, and provide supportive services to help those students overcome their problems so they can achieve success in school.

Contacting the High School's Financial Management

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the High School's finances and to show the High School's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Lewis Sidwell, Treasurer, Foxfire High School, 2805 Pinkerton Road, Zanesville, Ohio 43701. You may also E-mail the treasurer at lsidwell@laca.org.

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Foxfire High School

Statement of Net Position

June 30, 2023

Assets:	
Current Assets:	
Cash and Cash Equivalents	$2,050,349
Investments	250,000
Accounts Receivable	7,218
Accrued Interest Receivable	877
Intergovernmental Receivable	124,708
Prepaids	4,680
Total Current Assets	2,437,832
Noncurrent Assets:	
Restricted Assets for Net OPEB Asset	204,118
Nondepreciable Capital Assets	113,000
Depreciable Capital Assets, Net	1,819,894
Total Noncurrent Assets	2,137,012
Total Assets	4,574,844
Deferred Outflows of Resources:	
Pension	596,569
OPEB	163,252
Total Deferred Outflows of Resources	759,821
Liabilities:	
Current Liabilities:	
Accounts Payable	14,591
Accrued Wages and Benefits Payable	303,023
Intergovernmental Payable	57,588
Vacation Benefits Payable	35,426
Employee Withholding Payable	5,538
Accrued Interest Payable	2,663
Unearned Revenue	88,178
Total Current Liabilities	507,007
Long-Term Liabilities:	
Due Within One Year	71,054
Due in More Than One Year:	
Net Pension Liability	2,790,137
Net OPEB Liability	261,278
Other Amounts	361,449
Total Long-Term Liabilities	3,483,918
Total Liabilities	3,990,925
Deferred Inflows of Resources:	
Pension	786,488
OPEB	573,338
Total Deferred Inflows of Resources	1,359,826
Net Position:	
Net Investment in Capital Assets	1,622,061
Restricted for OPEB Plans	96,353
Unrestricted (Deficit)	(1,734,500)
Total Net Position (Deficit)	($16,086)

See accompanying notes to the basic financial statements

Foxfire High School

Statement of Revenues, Expenses, and Changes in Net Position

For the Fiscal Year Ended June 30, 2023

Operating Revenues:	
Foundation	$2,954,433
Rentals	125
Charges for Services	187,750
Total Operating Revenues	3,142,308
Operating Expenses:	
Salaries	1,767,716
Fringe Benefits	371,916
Purchased Services	982,609
Materials and Supplies	176,585
Cost of Sales	12,015
Depreciation	94,147
Total Operating Expenses	3,404,988
Operating Loss	(262,680)
Non-Operating Revenues (Expenses):	
State and Federal Grants	1,067,164
Investment Earnings/Interest	38,551
Donations	20,950
Other Non-Operating Revenues	4,497
Interest and Fiscal Charges	(24,244)
Total Non-Operating Revenues (Expenses)	1,106,918
Change in Net Position	844,238
Net Position (Deficit) Beginning of Year	(860,324)
Net Position (Deficit) End of Year	($16,086)

See accompanying notes to the basic financial statements

Foxfire High School
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023

Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash Received from Foundation	$2,954,397
Cash Received from Charges for Services	218,676
Cash Received from Rentals	125
Cash Payments for Employee Services and Benefits	(2,392,865)
Cash Payments to Suppliers for Goods and Services	(1,160,235)
Other Non-Operating Revenues	4,497
Net Cash Used for Operating Activities	(375,405)
Cash Flows from Noncapital Financing Activities:	
State and Federal Grants Received	1,137,982
Donations	13,950
Net Cash Provided by Noncapital Financing Activities	1,151,932
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(29,073)
Principal Paid on Loan	(271,889)
Interest Paid on Loan	(26,147)
Cash Flows Used for Capital and Related Financing Activities	(327,109)
Cash Flows from Investing Activities:	
Purchase of Investments	(250,000)
Investment Earnings/Interest	37,674
Net Cash Used for Investing Activities	(212,326)
Net Increase in Cash and Cash Equivalents	237,092
Cash and Cash Equivalents Beginning of Year	1,813,257
Cash and Cash Equivalents End of Year	$2,050,349
Reconciliation of Operating Loss to Net Cash Used For Operating Activities:	
Operating Loss	($262,680)
Adjustments to Reconcile Operating Loss to Net Cash Used For Operating Activities:	
Depreciation	94,147
Donated Commodities Received During the Fiscal Year	12,015
Non-Operating Revenues	4,497
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(218)
Decrease in Intergovernmental Receivable	38,980
Decrease in Prepaids	368
Decrease in Net OPEB Asset	11,186
Decrease in Deferred Outflows - Pension	538,030
Decrease in Deferred Outflows - OPEB	100,374
Decrease in Accounts Payable	(3,510)
Decrease in Accrued Wages and Benefits Payable	(9,590)
Increase in Intergovernmental Payable	3,816
Decrease in Vacation Benefits Payable	(4,330)
Increase in Employee Withholding Payable	1,210
Increase in Compensated Absences Payable	7,511
Increase in Net Pension Liability	21,250
Increase in Net OPEB Liability	27,651
Decrease in Deferred Inflows - Pension	(791,389)
Decrease in Deferred Inflows - OPEB	(164,723)
Net Cash Used for Operating Activities	($375,405)

Non-Cash Non-Capital Financing Transactions: During fiscal year 2023, the High School received $12,015 in donated commodities.

See accompanying notes to the basic financial statements

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Note 1 - Description of the School

The Foxfire High School (High School) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The High School is an approved tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the High School's tax exempt status. The High School's mission is to help at-risk students meet Ohio's graduation requirements. The High School has served as a drop-out, recovery, and prevention school and focuses on ensuring that basic survival needs are met so that students can achieve success in school. The High School serves high school age students who have dropped out or are at risk of dropping out of school. A particular emphasis is placed on assisting parents and/or pregnant students obtain a high school diploma. The High School serves grades nine through twelve so that the average age is between 16 and 21 years of age in order for the High School to meet the requirements of a drop-out recovery and prevention school.

The High School was created on September 3, 2003, by entering a contract with the Maysville Local School District (the Sponsor) and served students in grades nine through twelve through fiscal year 2016. Beginning in fiscal year 2017, the High School began to serve students in grades four through twelve. This change in grades served was due to a change by the Ohio Department of Education which allows a drop-out, recovery, and prevention school to serve grades four through twelve. Beginning in fiscal year 2020, the High School changed the grade levels served back to grades nine through twelve due to the average age of students needing to be 16 through 21. Due to the increase in enrollment for students in grades fourth through eighth, the relocation became necessary so that the High School would always have a majority of their students between the ages of 16 and 21. The Sponsor is responsible for evaluating the performance of the High School and has the authority to deny renewal of the contract at its expiration. The Sponsor is also the fiscal agent of High School with the Treasurer of the Sponsor serving also as the Treasurer for the High School.

The High School operates under the direction of a five-member Board of Directors composed of five community members recommended by the Executive Director after consulting with the Sponsor's Superintendent. All governing authority members are required to live and/or work in the Zanesville-Muskingum County community and are to represent the interests of the Muskingum County community. The Board of Directors approves the High School's staff of twelve noncertified and fifteen certificated full time teaching personnel who provide services to 256 students. The High School used the facilities provided by the Sponsor in prior years; however, in fiscal year 2020, the High School along with the Foxfire Intermediate School purchased the facility from the Sponsor. When the High School began operations in 2003, the employees were considered employees of the Sponsor. Beginning January 1, 2011, the employees became employees of the High School. The High School was considered a component unit of the Sponsor from their establishment through fiscal year 2022. This was due to the Sponsor imposing its will on the High School and, due to their relationship with the Sponsor, it would have been misleading to exclude them. Beginning in fiscal year 2023, the relationship between the Sponsor and the High School was determined to be an independent relationship. The Sponsor can still, however, suspend the High School's operations for any of the following reasons: 1) The High School's failure to meet student performance requirements stated in its contract with the Sponsor, 2) The High School's failure to meet generally accepted standards of fiscal management, 3) The High School's violation of any provisions of the contract with the Sponsor or applicable state or federal law, or 4) Other good cause. The Board of Directors is responsible for carrying out the provisions of the contract which include, but is not limited to, helping create, approve, and monitor the annual budget; develop policies to guide operations; secure funding; and maintain a commitment to vision, mission, and belief statements of the High School and the students it serves.

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

The High School participates in two insurance purchasing pools, the Ohio School Benefits Cooperative and the Better Business Bureau of Central Ohio, Incorporated - Workers' Compensation Group. These organizations are presented in Note 13.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the High School 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 High School's accounting policies are described below.

Basis of Presentation

The High School's basic financial statements consist of a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows.

The High School uses a single enterprise fund to present its financial records for the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods or services.

Measurement Focus

The enterprise fund is accounted for using 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 the High School are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position. The statement of cash flows reflects how the High School finances meet its cash flow needs.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The High School's financial statements are prepared using the accrual basis of accounting. 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. Revenue resulting from nonexchange transactions, in which the High School receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the High School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the High School on a reimbursement basis. Expenses are recognized at the time they are incurred.

Unearned Revenue Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned. Revenue received as of June 30, 2023, for fiscal year 2024 services, has been recorded as unearned revenue.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the High School, deferred outflows of resources are reported on the statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 9 and 10.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the High School, deferred inflows of resources include pension and OPEB plans. These amounts have been recorded as a deferred inflow on the statement of net position. Deferred inflows of resources related to pension and OPEB plans are reported on the statement of net position. (See Notes 9 and 10)

Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow the budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided by High School's contract with its Sponsor. The contract between High School and its Sponsor does not prescribe an annual budget requirement in addition to preparing a five year forecast, which is updated on an annual basis.

Cash and Cash Equivalents

Cash received by the High School is reflected as "Cash and Cash Equivalents" on the statement of net position. Investments with original maturities of three months or less at the time they are purchased are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months are reported as investments. During fiscal year 2023 , investments for the High School were limited to a nonnegotiable certificate of deposit which is reported at cost. Investment earnings/interest revenue received by the High School were also from insured cash sweep accounts.

Prepaids

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

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventories consist of expendable supplies held for consumption and donated and purchased food held for resale. Inventory balances were zero as of June 30, 2023.

Restricted Assets

Restricted assets represent amounts held in trust by the OPEB plans for future benefits.

Capital Assets

The High School's capital assets during fiscal year 2023 consisted of buildings and improvements, land, classroom and computer equipment, video equipment, signs, athletic equipment, kitchen equipment, and furniture. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition values as of the date received. The High School maintains a capitalization threshold of one thousand dollars. All of the High School's reported capital assets, except land and construction in progress, are depreciated using the straight-line method over the useful life ranging from five to 20 years for equipment and 20 to 40 years for buildings and improvements.

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 High School will compensate the employees for the benefits through paid time off or some other means. The High School records a liability for vacation time when earned. Vacation balances must be used by employees within the year received.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the High School has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the High School's termination policy. The High School currently has eight employees that it anticipates as being probable to retire.

Net Position

Net position represents the difference between assets and liabilities. Net position are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for OPEB plans represent the corresponding restricted asset amounts after considering the related deferred outflows and deferred inflows.

Operating Revenues and Expenses

The High School currently participates in the State Foundation Program and the State Special Education Program. Revenues received from these programs are recognized as operating revenues in the accounting period in which they are earned and become measurable.

Other operating revenues are those revenues that are generated directly from the primary activity of the High School. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the High School. All revenues and expenses not meeting this definition are reported as non-operating.

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.

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.

Note 3 - Deposits

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

Custodial credit risk is the risk that, in the event of a bank failure, the High School's deposits may not be returned. The High School does not have a deposit policy for custodial credit risk. At June 30, 2023, the bank balance of the High School's deposits was $2,326,449. All of the bank balances were covered by federal depository insurance. There are no significant statutory restrictions regarding the deposit and investment of funds by the nonprofit corporation.

The High School had no investments during fiscal year 2023. The investments on the Statement of Net Position are nonnegotiable certificates of deposit which are reported at cost.

Note 4 - Capital Assets

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

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Nondepreciable Capital Assets				
Land	$113,000	$0	$0	$113,000
Depreciable Capital Assets				
Buildings and Improvements	1,887,911	0	0	1,887,911
Equipment	362,837	29,073	0	391,910
Total at Historical Cost	2,250,748	29,073	0	2,279,821
Less Accumulated Depreciation				
Buildings and Improvements	(145,299)	(61,265)	0	(206,564)
Equipment	(220,481)	(32,882)	0	(253,363)
Total Accumulated Depreciation	(365,780)	(94,147)	0	(459,927)
Depreciable Capital Assets, Net of Accumulated Depreciation	1,884,968	(65,074)	0	1,819,894
Governmental Activities Capital Assets, Net	$1,997,968	($65,074)	$0	$1,932,894

Note 5 - Receivables

Receivables at June 30, 2023, consisted of accounts, accrued interest, and intergovernmental grants. The receivables are expected to be collected in full within one year.

A summary of principal items of intergovernmental receivables follows:

	Amounts
Summer Program through Job and Family Services	$82,242
Title I	18,992
Title I - Non-Competitive Supplement	7,831
School Breakfast and Lunch Program	1,573
Elementary and Secondary School Emergency Relief Funding	4,717
Skills Training Grant	9,214
School Foundation Adjustments	139
Total	$124,708

Note 6 - Risk Management

The High School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023, the High School contracted with Liberty Mutual Insurance through the Young Insurance Agency, for property, electronic equipment, commercial articles, valuable papers, crime insurance, general liability insurance, and builder's risk insurance. Coverage provided is as follows:

Building and Contents - replacement cost	$14,144,834
Commercial General Liability:	
Per Occurrence	1,000,000
Damage to Premises Rented to you Limit	100,000
Medical Expense Limit	5,000
General Aggregate Limit	2,000,000
Products/Completed Operations Aggregate Limit	2,000,000
Personal and Advertising Injury Limit	1,000,000
School Leader Errors and Ommissions:	
Each Wrongful Act/Aggregate Limits	1,000,000
Commercial Umbrella Liability:	
Each Occurrence to the General Aggregate and Products/Completed Operations Aggregate Limits	5,000,000
General Aggregate Limit	5,000,000
Products/Completed Operations Aggrefate Limit	5,000,000

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.

During fiscal year 2023, the High School participated in the Better Business Bureau of Central Ohio Incorporated - Workers' Compensation Group (Group), an insurance purchasing pool (Note 13) in the Group Retrospective Rating plan. The intent of the Group is to achieve the benefit of a reduced premium for the High School by virtue of its grouping and representation with other participants in the Group. The workers' compensation experience of the participating members is calculated as one experience and a common premium rate is applied to all members in the Group. Each participant pays its workers' compensation premium to the State based on the rate for the Group rather than its individual rate. Participation in the Group is limited to members that can meet the Group's selection criteria. The firm of Sheakley provides administrative, cost control, and actuarial services to the Group.

Note 7 - Related Party Transactions

The Board of Directors of the High School consists of five community members recommended by the Executive Director of the High School after consulting with Maysville Local School District's (Sponsor) Superintendent. During fiscal year 2023, $87,986 was paid to the Sponsor for the sponsorship fee, supplies, utilities, and transportation. As of June 30, 2023, there were no outstanding expenses owed to the Sponsor.

Note 8 - High School's Expenses

	Regular Instruction (1100 Function codes)	Special Instruction (1200 Function codes)	Other Instruction (1300 and 1900 Function Codes)	Support Services (2000 Function Codes)	Non-Instructional (3000 through 7000 Function Codes)	Total
Direct expenses:						
Salaries & wages (100 object codes)	$420,903	$212,941	$122,885	$1,018,066	$2,678	$1,777,473
Employees' benefits (200 object codes)	109,745	82,236	7,339	415,658	414	615,392
Professional and technical services (400 object codes)	103,523	17,720	141,280	486,992	233,829	983,344
Supplies (500 object codes)	111,598	1,390	13,924	39,088	10,891	176,891
Equipment (640 object codes)	0	0	0	9,652	19,421	29,073
Principal (810 object code)	0	0	0	0	271,889	271,889
Interest (820 object code)	0	0	0	0	26,147	26,147
Total expenses	$745,769	$314,287	$285,428	$1,969,456	$565,269	$3,880,209

Expenses are shown on a cash basis.

Note 9 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

The net pension/OPEB liability (asset) represents the High School'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 High School's obligation for this liability to annually required payments. The High School cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the High School 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 10 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

The High School's contractually required contribution to SERS was $100,137 for fiscal year 2023. Of this amount, $15,298 is reported as an intergovernmental payable. The Special Funding Situation contractually required contributions to SERS was $11,015 (which is included as part of the $100,137) for fiscal year 2023.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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

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

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

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

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

The High School's contractually required contribution to STRS was $151,041 for fiscal year 2023. Of this amount, $25,588 is reported as an intergovernmental payable.

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

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

	SERS			
	Contributions made by the High School	Special Funding Situation	STRS	Total
Proportion of the Net Pension Liability:				
Prior Measurement Date	0.01777599%	0.00197511%	0.00805513%	
Current Measurement Date	0.01707554%	0.00211046%	0.00788304%	
Change in Proportionate Share	-0.0007005%	0.0001354%	-0.00017209%	
Proportionate Share of the Net Pension Liability	$923,578	$114,150	$1,752,409	$2,790,137
Pension Expense	($50,186)	($6,203)	$75,458	$19,069

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

	SERS			
	Contributions made By the High School	Special Funding Situation	STRS	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	$37,406	$4,623	$22,433	$64,462
Changes of assumptions	9,113	1,126	209,710	219,949
Net difference between projected and actual earnings on pension plan investments	0	0	60,980	60,980
High School contributions subsequent to the measurement date	89,122	11,015	151,041	251,178
Total Deferred Outflows of Resources	$135,641	$16,764	$444,164	$596,569
Deferred Inflows of Resources				
Differences between expected and actual experience	$6,064	$749	$6,704	$13,517
Net difference between projected and actual earnings on pension plan investments	32,229	3,983	157,852	194,064
Changes in Proportionate Share and Difference between High School contributions and proportionate share of contributions	57,377	7,092	514,438	578,907
Total Deferred Inflows of Resources	$95,670	$11,824	$678,994	$786,488

$251,178 reported as deferred outflows of resources related to pension resulting from High School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS			
	Contributions made by the High School	Special Funding Situation	STRS	Total
Fiscal Year Ending June 30:				
2024	($44,196)	($5,462)	($216,720)	($266,378)
2025	(12,473)	(1,542)	(217,253)	(231,268)
2026	(46,040)	(5,690)	(129,619)	(181,349)
2027	53,558	6,619	177,721	237,898
Total	($49,151)	($6,075)	($385,871)	($441,097)

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
High School's proportionate share of the net pension liability	$1,359,463	$923,578	$556,351
Special Funding Situation's proportionate share of the net pension liability	$168,023	$114,150	$68,763

Actuarial Assumptions - STRS

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

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

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

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
High School's proportionate share of the net pension liability	$2,647,253	$1,752,409	$995,649

<u>Social Security System</u>

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System / State Teachers Retirement System. As of June 30, 2023, none of the Board of Education members elected Social Security.

Note 10 - Postemployment Benefits

See Note 9 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the High School's surcharge obligation was $6,768.

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 High School's contractually required contribution to SERS was $6,768 for fiscal year 2023; all was reported as an intergovernmental payable. The Special Funding Situation contractually required contributions to SERS was $744 (which was included as part of the $6,768) for fiscal year 2023.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

The net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The High School's proportion of the net OPEB liability (asset) was based on the High School'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			
	Contributions made by the High School	Special Funding Situation	STRS	
Proportion of the Net OPEB Liability (Asset):				
Prior Measurement Date	0.01686609%	0.00187401%	0.00805513%	
Current Measurement Date	0.01656237%	0.00204703%	0.00788304%	
Change in Proportionate Share	-0.00030372%	0.00017302%	-0.00017209%	
				Total
Proportionate Share of the:				
Net OPEB Liability	$232,537	$28,741	$0	$261,278
Net OPEB (Asset)	$0	$0	($204,118)	($204,118)
OPEB Expense	($19,985)	($2,470)	$3,711	($18,744)

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

	SERS			
	Contributions made by the High School	Special Funding Situation	STRS	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	$1,954	$242	$2,959	$5,155
Changes of assumptions	36,988	4,572	8,695	50,255
Net difference between projected and actual earnings on OPEB plan investments	1,209	149	3,553	4,911
Changes in proportionate Share and difference between High School contributions and proportionate share of contributions	35,267	4,359	56,537	96,163
High School contributions subsequent to the measurement date	6,024	744	0	6,768
Total Deferred Outflows of Resources	$81,442	$10,066	$71,744	$163,252
Deferred Inflows of Resources				
Differences between expected and actual experience	$148,748	$18,385	$30,654	$197,787
Changes of assumptions	95,459	11,798	144,740	251,997
Changes in Proportionate Share and Difference between High School contributions and proportionate share of contributions	106,301	13,138	4,115	123,554
Total Deferred Inflows of Resources	$350,508	$43,321	$179,509	$573,338

$6,768 reported as deferred outflows of resources related to OPEB resulting from High School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS			
	Contributions made by the High School	Special Funding Situation	STRS	Total
Fiscal Year Ending June 30:				
2024	($50,868)	($6,287)	($6,324)	($63,479)
2025	(58,929)	(7,283)	(32,407)	(98,619)
2026	(62,434)	(7,717)	(22,920)	(93,071)
2027	(46,183)	(5,708)	(9,950)	(61,841)
2028	(26,395)	(3,262)	(12,043)	(41,700)
Thereafter	(30,281)	(3,742)	(24,121)	(58,144)
Total	($275,090)	($33,999)	($107,765)	($416,854)

Actuarial Assumptions - SERS

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

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

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

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

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

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

2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

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

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 9.

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

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

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
High School's proportionate share of the net OPEB liability	$288,815	$232,537	$187,106
Special Funding Situation's proportionate share of the net OPEB liability	$35,696	$28,741	$23,126

	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
High School's proportionate share of the net OPEB liability	$179,328	$232,537	$302,038
Special Funding Situation's proportionate share of the net OPEB liability	$22,164	$28,741	$37,330

Actuarial Assumptions – STRS

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

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

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

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

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

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

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 9.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
High School's proportionate share of the net OPEB asset	($188,702)	($204,118)	($217,324)

	1% Decrease	Current Trend Rate	1% Increase
High School's proportionate share of the net OPEB asset	($211,720)	($204,118)	($194,522)

Note 11 - Contingencies

Grants

The High School received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with 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 High School at June 30, 2023.

School Foundation

School foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Community schools must provide documentation that clearly demonstrates students have participated in learning opportunities. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. Subsequent to June 30, 2023, there were multiple adjustments from the State to the foundation settlement reports for fiscal year 2023. The total of these adjustments indicated that the High School was underpaid by $101. The adjustment made in September 2023 of $101 has been recorded as an intergovernmental receivable. There was an immaterial final adjustment in November 2023.

In addition, the High School's contract with their Sponsor, Maysville Local School District, requires payment based on revenues received from the State. As discussed above, there were multiple FTE adjustments for fiscal year 2023. Management believes this does not materially impact the financial statements, therefore no additional receivable to, or liability of, the High School has been shown as of June 30, 2023.

Litigation

The High School currently is not a party to any litigation.

Note 12 - Long-Term Obligations

The changes in the High School's long-term obligations during the fiscal year consist of the following:

	Outstanding 6/30/2022	Additions	Deletions	Outstanding 6/30/2023	Due Within One Year
Loans from Direct Borrowing	$582,722	$0	$271,889	$310,833	$71,054
Net Pension Liability:					
SERS	728,756	308,972	0	1,037,728	0
STRS	1,029,921	722,488	0	1,752,409	0
Total Net Pension Liability	1,758,677	1,031,460	0	2,790,137	0
Net OPEB Liability - SERS	354,673	0	93,395	261,278	0
Compensated Absences	114,159	7,511	0	121,670	0
Total Long-Term Obligations	$2,810,231	$1,038,971	$365,284	$3,483,918	$71,054

On August 9, 2019, the High School, together with the Foxfire Intermediate School (Intermediate School), purchased the facilities utilized by the High School and Intermediate School from the Sponsor. The purchase price was $1,500,000. The High School and the Intermediate School received a loan through a direct borrowing from Peoples State Bank which matures August 9, 2026. The loan was for $1,500,000 and was issued in both the High School's and the Intermediate School's names. Repayments will be made fifty percent from the High School and fifty percent from the Intermediate School.

The loan contains provisions in the event of default (1) lender may require the High School to gather the property and make it available to lender in a reasonable fashion if allowed by law; (2) lender may repossess (unless prohibited by law) or otherwise seize the property as provided by law; and (3) lender may sell property as provided by law.

The following is a summary of the High School's future annual debt service requirements for long-term obligations:

Fiscal Year Ending June 30,	Principal	Interest
2024	$71,054	$15,778
2025	75,113	11,756
2026	79,330	7,503
2027	85,336	1,183
Total	$310,833	$36,221

There is no repayment schedule for the net pension/OPEB liability. For additional information related to the net pension/OPEB liability, see Notes 9 and 10.

Note 13 - Insurance Purchasing Pools

Ohio School Benefits Cooperative

The High School participates in the Ohio School Benefits Cooperative (OSBC), a claims servicing and group purchasing pool composed of fifteen members. The OSBC is created and organized pursuant to and as authorized by Section 9.833 of the Ohio Revised Code. OSBC is governed by a nine member Board of Directors, all of whom must be Educational Service Center and/or educational service center administrators. The Muskingum Valley Educational Service Center serves as the fiscal agent for OSBC. OSBC is an unincorporated, non-profit association of its members which was created for the purpose of enabling members of the Plan to maximize benefits and/or reduce costs of medical, prescription drug, vision, dental, life, and/or other group insurance coverage for their employees, eligible dependents, and designated beneficiaries of such employees.

Participants pay a $500 membership fee to OSBC. OSBC offers two options to participants. Participants may enroll in the joint insurance purchasing program for medical, prescription drug, vision, dental, and/or life insurance. A second option is available for self-insured participants that provides for the purchase of stop loss insurance coverage through OSBC's third party administrator. Medical Mutual/Antares is the Administrator of the OSBC. The High School elected to participate in the joint insurance purchasing program for medical and prescription drug coverage.

Better Business Bureau of Central Ohio, Incorporated - Workers' Compensation Group

The High School participated in a group rating plan for workers' compensation in calendar year 2022 and 2023 as established under Section 4123.29 of the Ohio Revised Code. The Better Business Bureau of Central Ohio Incorporated - Workers' Compensation Group (Group), an insurance purchasing pool established through the Better Business Bureau of Ohio, Incorporated. The Group's business and affairs are conducted by the President and CEO of the Better Business Bureau. Each year, the participants pay an enrollment fee to the Group to cover the costs of administering the program.

Note 14 - Changes in Accounting Principles

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

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

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

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

Note 15 - COVID-19

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

Note 16 – Subsequent Events

On July 6, 2023, the High School paid off the remaining balance of the facilities loan obligation.

Note 17 – Relationship with Foxfire Intermediate School

Foxfire Intermediate School and Foxfire High School share the same building, in which certain utilities, insurance and maintenance expenses are paid exclusively by Foxfire High School. Additionally, employees paid exclusively by Foxfire High School are also utilized by Foxfire Intermediate School. The amount of these shared services paid by Foxfire High School and benefiting Foxfire Intermediate School totaled approximately $442,585 for fiscal year 2023.

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Foxfire High School

Required Supplementary Information

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

School Employees Retirement System of Ohio

*Last Ten Fiscal Years **

	2023	2022	2021	2020
High School Contributions:				
High School's Proportion of the Net Pension Liability	0.01707554%	0.01777599%	0.02071700%	0.02462190%
High School's Proportionate Share of the Net Pension Liability	$923,578	$655,880	$1,370,264	$1,473,172
High School's Covered Payroll	$714,886	$662,107	$806,014	$821,304
High School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	129.19%	99.06%	170.00%	179.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%
Special Funding Situation: (1)				
Special Funding Situation's Proportion of the Net Pension Liability	0.00211046%	0.00197511%	0.00204890%	N/A
Special Funding Situation's Proportionate Share of the Net Pension Liability	$114,150	$72,876	$135,521	N/A

(1) The High School entered into a Special Funding Situation for food services in fiscal year 2021.

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
0.02281290%	0.01785430%	0.01330920%	0.01265320%	0.01227800%	0.01265320%
$1,306,537	$1,066,755	$974,111	$722,004	$621,382	$730,133
$788,644	$625,757	$411,557	$385,221	$337,734	$375,733
165.67%	170.47%	236.69%	187.43%	183.99%	194.32%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

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

	2023	2022	2021
High School Contributions:			
High School's Proportion of the Net OPEB Liability	0.01656237%	0.01686609%	0.0199235%
High School's Proportionate Share of the Net OPEB Liability	$232,537	$319,206	$433,003
High School's Covered Payroll	$714,886	$662,107	$806,014
High School's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	32.53%	48.21%	53.72%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%
Special Funding Situation: (2)			
Special Funding Situation's Proportion of the Net OPEB Liability	0.00204703%	0.00187401%	0.0019705%
Special Funding Situation's Proportionate Share of the Net OPEB Liability	$28,741	$35,467	$42,825

(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.

(2) The High School entered into a Special Funding Situation for food services in fiscal year 2021.

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.0238548%	0.0221241%	0.0182577%	0.0135165%
$599,898	$613,782	$489,989	$385,270
$821,304	$788,644	$625,757	$411,557
73.04%	77.83%	78.30%	93.61%
15.57%	13.57%	12.46%	11.49%
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

Foxfire High School

Required Supplementary Information

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

State Teachers Retirement System of Ohio

*Last Ten Fiscal Years **

	2023	2022	2021
High School's Proportion of the Net Pension Liability	0.00788304%	0.00805513%	0.00967395%
High School's Proportionate Share of the Net Pension Liability	$1,752,409	$1,029,921	$2,340,751
High School's Covered Payroll	$1,140,950	$882,893	$1,092,686
High School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	153.59%	116.65%	214.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%

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

See accompanying notes to required supplementary information

2020	2019	2018	2017	2016	2015	2014
0.01275901%	0.01295556%	0.01046358%	0.00695565%	0.00674020%	0.00706668%	0.00706668%
$2,821,579	$2,848,637	$2,485,646	$2,328,266	$1,862,794	$1,718,861	$2,047,496
$1,468,986	$1,507,607	$1,265,229	$717,839	$692,179	$728,854	$835,908
192.08%	188.95%	196.46%	324.34%	269.12%	235.83%	244.94%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

Foxfire High School

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

	2023	2022	2021
High School's Proportion of the Net OPEB Liability (Asset)	0.00788304%	0.00805513%	0.00967395%
High School's Proportionate Share of the Net OPEB Liability (Asset)	($204,118)	($169,837)	($170,020)
High School's Covered Payroll	$1,140,950	$882,893	$1,092,686
High School's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-17.89%	-19.24%	-15.56%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	230.70%	174.70%	182.10%

(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 High School's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.01275901%	0.01295556%	0.01046358%	0.00695565%
($211,319)	($208,183)	$408,250	$371,990
$1,468,986	$1,507,607	$1,265,229	$717,839
-14.39%	-13.81%	32.27%	51.82%
174.70%	176.00%	47.10%	37.30%

Foxfire High School

Required Supplementary Information
Schedule of the High School Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021	(4) 2020
High School - Net Pension Liability				
Contractually Required Contribution	$89,122	$89,650	$84,352	$112,842
Contributions in Relation to the Contractually Required Contribution	(89,122)	(89,650)	(84,352)	(112,842)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
High School Covered Payroll (2)	$715,264	$714,886	$662,107	$806,014
Special Funding Situation - Net Pension Liability (5)				
Contractually Required Contribution	$11,015	$10,434	$8,343	N/A
Contributions in Relation to the Contractually Required Contribution	(11,015)	(10,434)	(8,343)	N/A
Contribution Deficiency (Excess)	$0	$0	$0	$0
High School - Net OPEB Liability				
Contractually Required Contribution	$6,024	$6,295	$4,124	$5,882
Contributions in Relation to the Contractually Required Contribution	(6,024)	(6,295)	(4,124)	(5,882)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.95%	0.98%	0.68%	0.73%
Total Contributions as a Percentage of Covered Payroll (3)	14.95%	14.98%	14.68%	14.73%
Special Funding Situation - Net OPEB Liability (5)				
Contractually Required Contribution	$744	$700	$408	N/A
Contributions in Relation to the Contractually Required Contribution	(744)	(700)	(408)	N/A
Contribution Deficiency (Excess)	$0	$0	$0	$0

(1) - Foxfire High School increased the number of grades served, which increased staff.
(2) - Foxfire High School covered payroll is the same for Pension and OPEB.
(3) - Includes Surcharge
(4) - Foxfire High School decreased the number of grades served, which decreased staff.
(5) - Foxfire High School entered into a Special Funding Situation during fiscal year 2021.

See accompanying notes to required supplementary information

2019	2018	2017 (1)	2016	2015	2014
$110,876	$106,467	$87,606	$57,618	$50,772	$46,810
(110,876)	(106,467)	(87,606)	(57,618)	(50,772)	(46,810)
$0	$0	$0	$0	$0	$0
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%
$821,304	$788,644	$625,757	$411,557	$385,221	$337,734
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
$0	$0	$0	$0	$0	$0
$12,210	$11,367	$10,597	$6,964	$6,808	$6,247
(12,210)	(11,367)	(10,597)	(6,964)	(6,808)	(6,247)
$0	$0	$0	$0	$0	$0
1.49%	1.44%	1.69%	1.69%	1.77%	1.85%
14.99%	14.94%	15.69%	15.69%	14.95%	15.71%
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
$0	$0	$0	$0	$0	$0

Foxfire High School
Required Supplementary Information
Schedule of the High School Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021	(4) 2020
Net Pension Liability				
Contractually Required Contribution	$151,041	$159,733	$123,605	$152,976
Contributions in Relation to the Contractually Required Contribution	(151,041)	(159,733)	(123,605)	(152,976)
Contribution Deficiency (Excess)	$0	$0	$0	$0
High School Covered Payroll (3)	$1,078,864	$1,140,950	$882,893	$1,092,686
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

(1) - Foxfire High School contracted with the Sponsor District for employees prior to January 1, 2011.
(2) - Foxfire High School increased the number of grades served. which resulted in an increase in staff.
(3) - Foxfire High School covered payroll is the same for Pension and OPEB.
(4) - Foxfire High School decreased the number of grades served, which resulted in a decrease in staff.

See accompanying notes to required supplementary information

2019	2018	(2) 2017	2016	2015	2014
$205,658	$211,065	$177,132	$100,497	$96,905	$94,751
(205,658)	(211,065)	(177,132)	(100,497)	(96,905)	(94,751)
$0	$0	$0	$0	$0	$0
$1,468,986	$1,507,607	$1,265,229	$717,839	$692,179	$728,854
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%
$0	$0	$0	$0	$0	$7,289
0	0	0	0	0	(7,289)
$0	$0	$0	$0	$0	$0
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

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

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

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

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

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

Changes in Assumptions - STRS

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

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

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

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

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

Changes in Benefit Term – STRS Pension

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

Net OPEB Liability

Changes in Assumptions – SERS

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

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

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

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

Changes in Assumptions – STRS

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

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

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

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

Changes in Benefit Terms – STRS OPEB

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

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

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

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

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

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

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FOXFIRE HIGH SCHOOL
MUSKINGUM COUNTY

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

FEDERAL GRANTOR / ***Pass-Through Grantor*** / **Program Title**	**Assistance Listing Number**	**Pass Through Entity Identifying Number**	**Total Federal Receipts**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE				
Passed through Ohio Department of Education and Workforce:				
Child Nutrition Cluster:				
Non-Cash Assistance:				
National School Lunch Program	10.555	2022/2023	$12,015	$12,015
Cash Assistance:				
School Breakfast Program	10.553	2022/2023	89,434	89,434
National School Lunch Program	10.555	2022/2023	169,430	143,434
COVID-19 CN COVID Food Pro Manf.	10.555	2022/2023	15,178	15,178
Cash Assistance Subtotal			274,042	248,046
Total Child Nutrition Cluster			286,057	260,061
COVID-19 SNAP State/Local PEBT	10.649	2022/2023	628	628
Total U.S. Department of Agriculture			286,685	260,689
U.S. DEPARTMENT OF TREASURY				
Passed Through Ohio Office of Budget and Management:				
COVID-19 Ohio K-12 School Safety Grants	21.027	SLFRP0130	100,000	11,822
Total COVID-19 Ohio K-12 School Safety Grants			100,000	11,822
Total U.S. Department of Treasury			100,000	11,822
Passed Through Ohio Department of Education and Workforce:				
Title I Grants to Local Educational Agencies	84.010	2023	166,903	166,843
		2022	25,075	25,075
Total Title I Grants to Local Educational Agencies			191,978	191,918
Special Education Cluster:				
Special Education Grants to States	84.027	2023	118,132	118,132
		2022	9,534	9,534
Total Special Education Grants to States			127,666	127,666
Total Special Education Cluster			127,666	127,666
Supporting Effective Instruction State Grants	84.367	2023	9,264	9,264
Total Supporting Effective Instruction State Grants			9,264	9,264
Student Support & Academic Enrichment Program	84.424	2023	10,000	10,000
Total Student Support & Academic Enrichment Program			10,000	10,000
COVID-19 Education Stabilization Fund	84.425U	2023	385,510	351,727
Total COVID-19 Education and Stabilization Fund			385,510	351,727
Total U.S. Department of Education			724,418	690,575
Total Federal Awards Receipts and Expenditures			**$1,111,103**	**$963,086**

The accompanying notes are an integral part of this Schedule.

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis 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 High School has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The High School did not provide funds to the sub-recipients during the audit period.

NOTE E - CHILD NUTRITION CLUSTER

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

NOTE F – FOOD DONATION PROGRAM

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

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

Foxfire High School
Muskingum County
2805 Pinkerton Road
Zanesville, Ohio 43701

To the Board of Directors:

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 Foxfire High School, Muskingum County, Ohio (the High School), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the High School's basic financial statements and have issued our report thereon dated February 5, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the High School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the High School's internal control. Accordingly, we do not express an opinion on the effectiveness of the High School'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 High School'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 High School'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 High School'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 High School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

February 5, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

Foxfire High School
Muskingum County
2805 Pinkerton Road
Zanesville, Ohio 43701

To the Board of Directors:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 High School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the High School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The High School’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 High School’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 High School'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 High School's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the High School’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 High School'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 High School'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

February 5, 2024

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FOXFIRE HIGH SCHOOL
MUSKINGUM COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):** • AL# 84.425U COVID-19 Education Stabilization Fund • AL# 10.553, 10.555 Child Nutrition Cluster	
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

Foxfire Community Schools

2805 Pinkerton Road
Zanesville, Ohio 43701
Phone : (740) 453-4509
Fax: (740) 455-4084
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	Prevailing Wage Rates – Noncompliance/Material Weakness	Corrected	

Lewis Sidwell, Treasurer
Foxfire High School.

OHIO AUDITOR OF STATE
KEITH FABER

FOXFIRE HIGH SCHOOL

MUSKINGUM COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 2/15/2024

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