OHIO AUDITOR OF STATE
KEITH FABER

JEFFERSON COUNTY JOINT VOCATIONAL SCHOOL DISTRICT
JEFFERSON COUNTY
JUNE 30, 2023 AND 2022

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JEFFERSON COUNTY
JUNE 30, 2023 AND 2022

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Jefferson County Joint Vocational School District
Jefferson County
1509 County Highway 22A
Bloomingdale, Ohio 43910

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson County Joint Vocational School District, Jefferson County, Ohio (the District), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson County Joint Vocational School District, Jefferson County, Ohio as of June 30, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 21 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. In addition, the District restated its July 1, 2022 General Fund budget basis balance to reflect the legally adopted budget of the General Fund, excluding funds that are maintained as special revenue funds for accounting purposes that do not otherwise mee the criteria for separate reporting in the external financial statements. We did not modify our opinion regarding these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of net pension and 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

May 14, 2024

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

Financial Highlights

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

- In total, net position increased $1,396,858.

- General revenues accounted for $7,452,174 in revenue or approximately 86 percent of all revenues. Program specific revenues in the form of charges for services and sales, and operating grants and contributions accounted for $1,176,524 or approximately 14 percent of total revenues of $8,628,698.

- Total assets of governmental activities increased $1,793,069, primarily due to increases in cash and cash equivalents. Total liabilities of governmental activities increased $1,980,427, primarily due to a increase in net pension liability.

- The School District had $7,231,840 in expenses related to governmental activities; only $1,176,524 of these expenses was offset by program specific charges for services and sales and operating grants and contributions. General revenues of $7,452,174 were adequate to provide for these programs.

- Total governmental funds had $8,726,773 in revenues and $7,829,165 in expenditures. Overall, the net change in total governmental fund balances, including other financing sources (use), was an increase of $953,722.

Using this Annual Financial Report

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

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

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

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

The School District as a Whole

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

Table 1
Net Position
Governmental Activities

	2023	2022	Change
Assets			
Current and Other Assets	$13,074,483	$11,617,751	$1,456,732
Net OPEB Asset	442,527	356,144	86,383
Capital Assets	4,197,737	3,947,783	249,954
Total Assets	17,714,747	15,921,678	1,793,069
Deferred Outflows of Resources			
Pension	1,180,385	1,111,347	69,038
OPEB	132,150	151,235	(19,085)
Total Deferred Outflows of Resources	1,312,535	1,262,582	49,953
Liabilities			
Current and Other Liabilities	776,933	725,816	51,117
Long-Term Liabilities:			
Due Within One Year	136,674	110,789	25,885
Due in More than One Year:			
Net Pension Liability	4,852,698	2,847,860	2,004,838
Net OPEB Liability	275,173	357,411	(82,238)
Other Amounts	438,255	457,430	(19,175)
Total Liabilities	6,479,733	4,499,306	1,980,427
Deferred Inflows of Resources			
Property Taxes	4,021,803	3,710,757	311,046
Payment in Lieu of Taxes	2,476	2,476	0
Pension	472,007	2,364,555	(1,892,548)
OPEB	690,572	643,333	47,239
Total Deferred Inflows of Resources	5,186,858	6,721,121	(1,534,263)
Net Position			
Net Investment in Capital Assets	3,973,268	3,706,026	267,242
Restricted	1,972,901	1,431,003	541,898
Unrestricted (Deficit)	1,414,522	826,804	587,718
Total Net Position	$7,360,691	$5,963,833	$1,396,858

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

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

Total assets of governmental activities increased $1,793,069. Current and other assets increased $1,456,732, primarily due to increases in equity in pooled cash and cash equivalents as the School District continues to keep its cash basis expenditures below the increasing revenue levels. The School District also reflects a net OPEB asset in the amount of $442,527, an increase from the prior year of $86,383. Capital assets increased in the amount of $249,954, due to capital acquisitions primarily related to the purchase of machinery, equipment, furniture and fixtures exceeding annual depreciation/amortization.

Total liabilities increased $1,980,427. Long-term liabilities increased $1,929,310, primarily due to an increase in net pension liability. Net pension liability increased due to the change in assumptions, and changes in net investment income.

The School District's deferred inflows of resources decreased $1,534,263. This decrease was the result of two factors; a decrease in deferred inflows of resources related to pension due to changes in pension plan investments which offset the increase in net pension liability, and a decrease in inflows of resources for property taxes, which were offset by an increase in deferred inflows of resources related to OPEB due to changes in assumptions.

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

Table 2
Changes in Net Postion
Governmental Activities

	2023	2022	Change
Revenues			
Program Revenues:			
Charges for Services and Sales	$195,779	$91,773	$104,006
Operating Grants and Contributions	980,745	1,016,928	(36,183)
Total Program Revenues	1,176,524	1,108,701	67,823
General Revenues:			
Property Taxes	4,088,887	4,141,223	(52,336)
Revenue in Lieu of Taxes	2,476	2,476	0
Grants and Entitlements not Restricted to Specific Programs	3,246,100	2,910,458	335,642
Donations	6,370	8,550	(2,180)
Interest	58,301	8,187	50,114
Others	50,040	163,060	(113,020)
Total General Revenues	7,452,174	7,233,954	218,220
Total Revenues	8,628,698	8,342,655	286,043
Program Expenses			
Instruction:			
Regular	398,068	364,554	33,514
Special	216,981	204,340	12,641
Vocational	3,615,175	3,193,765	421,410
Adult/Continuing	11,215	2,406	8,809
Student Intervention Services	75,125	75,403	(278)
Support Services:			
Pupil	451,545	343,793	107,752
Instructional Staff	399,556	339,709	59,847
Board of Education	89,139	67,086	22,053
Administration	298,782	244,142	54,640
Fiscal	350,830	367,953	(17,123)
Operation and Maintenance of Plant	812,438	909,251	(96,813)
Central	163,531	134,104	29,427
Operation of Non-Instructional Services	2,409	1,039	1,370
Food Service Operations	280,267	195,173	85,094
Extracurricular	62,881	36,951	25,930
Interest and Fiscal Charges	3,898	5,602	(1,704)
Total Expenses	7,231,840	6,485,271	746,569
Change in Net Position	1,396,858	1,857,384	(460,526)
Net Position Beginning of Year	5,963,833	4,106,449	1,857,384
Net Position End of Year	$7,360,691	$5,963,833	$1,396,858

In fiscal year 2023, approximately 47 percent of the School District's revenues were from property taxes and approximately 38 percent were from unrestricted grants and entitlements. The change in unrestricted grant revenues is due primarily to an increase in student enrollment which directly impacts state funding. The increases in charges for services and sales is due primarily to an increase in charges for services related to food services and additional extracurricular activities revenues from student managed activities.

The School District receives revenue in lieu of taxes as part of a Tax Increment Financing (TIF) agreement with the City of Steubenville. See Note 7 for further details.

Instructional programs comprise approximately 60 percent of total governmental program expenses. Of the instructional expenses, approximately 84 percent is for vocational instruction, approximately 9 percent is for regular instruction, approximately 5 percent is for special instruction, and the remaining is for student intervention services, and adult/continuing instruction. Overall program expenses increased $746,569. The increase in program expenses is primarily due increases in instruction expenses related to additional school programs and increases in enrollment, as well as increases in pension and OPEB expenses.

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
Program Expenses				
Instruction:				
Regular	$398,068	$364,554	$371,724	$341,959
Special	216,981	204,340	159,902	155,385
Vocational	3,615,175	3,193,765	2,959,190	2,485,142
Adult/Continuing	11,215	2,406	11,215	2,406
Student Intervention Services	75,125	75,403	75,125	75,403
Support Services:				
Pupil	451,545	343,793	373,636	320,942
Instructional Staff	399,556	339,709	399,556	339,709
Board of Education	89,139	67,086	89,139	67,086
Administration	298,782	244,142	298,782	244,142
Fiscal	350,830	367,953	349,727	367,053
Operation and Maintenance of Plant	812,438	909,251	751,326	884,124
Central	163,531	134,104	163,531	127,044
Operation of Non-Instructional Services	2,409	1,039	2,409	1,039
Food Service Operations	280,267	195,173	56,370	(45,225)
Extracurricular	62,881	36,951	(10,214)	4,759
Interest	3,898	5,602	3,898	5,602
Total Expenses	$7,231,840	$6,485,271	$6,055,316	$5,376,570

The dependence upon tax revenues and state subsidies for governmental activities is apparent as approximately 84 percent of expenses are supported through taxes and other general revenues.

The School District's Funds

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

The General Fund had $7,499,597 in revenues and $6,851,064 in expenditures. Overall, including other financing sources and uses, the General Fund's balance increased $597,179 due to an increase in revenue from property taxes and state funding.

The Permanent Improvement Fund had $701,524 in revenues and $287,601 in expenditures. The Permanent Improvement Capital Projects Fund's balance increased $413,923, building on the increase in fund balance reported in the prior year with increases in property taxes paired with a decrease in maintenance costs.

General Fund Budgeting Highlights

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

During the course of fiscal 2023, the School District amended its General Fund estimated revenues and appropriations, and the budgetary statement reflects both the original and final appropriated amounts. Final appropriations differed from the original amounts as the budget was amended to reflect actual expenditures. There were no significant differences between final budget and actual activity during the fiscal year.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the School District had $4,197,737 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible assets, net of depreciation/amortization. See Note 9 for more detailed information of the School District's capital assets.

Debt

At June 30, 2023, the School District had $162,895 outstanding in 2010 Energy Conservation Qualified School Construction Bonds, and $22,900 in subscriptions payable, of with $103,473 due in one year. See Note 14 for more information on the School District's debt, subscriptions and other long-term obligations, including compensated absences and the net pension liability/OPEB liability.

Economic Factors

Public Utility Tax Adjustments

The Public Utility Tax is the driving force for most of the significant increases in tax collections. Production since calendar year 2015 has shown remarkable growth. Although the per barrel oil production and price have both decreased over the past few years, the gas volume has increased and the price has remained somewhat stable.

Jefferson County is a heavy gas producer, unlike the surrounding counties that produce more oil. These values are reported as commercial and industrial values on the property tax bills. There is a two year lag from production year to collection year. The information provided in the table below is a valuable tool utilized by the Jefferson County Joint Vocational School District when projecting future tax revenues.

Ohio Department of Taxation Production for Jefferson County

	2016	2017	2018	2019	2020	2021	2022
Oil*	593	255	32	0	0	0	70
Gas**	46,012,135	144,368,353	352,464,237	533,605,775	484,550,351	438,100,095	549,991,867

Ohio Department of Taxation Prices

	2017	2018	2019	2020	2021	2022	2023
Oil	$4,510	$3,920	$3,370	$3,020	$3,160	$3,490	$3,880
Gas	$190	$190	$170	$150	$160	$170	$200

* Average Daily Production: one barrel or more
** Average Daily Production: eight MCF or more

Modular Home Sales

The Board of Education determined that the Carpentry Class project would continue with modular home construction on site. A section of the parking lot has been gated off in order to accommodate the project. The preferred method of sale is to have a buyer under contract before the modular is constructed; however, in the event that does not occur, the modular will be auctioned upon completion. Each modular home design is approved by the State and is subject to a permit. All transportation, site development, and any other additional costs are the responsibility of the buyer. The most recent completed modular was sold in fiscal year 2021 for $50,100. Construction is ongoing for the current modular home.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Marcy Thompson, Treasurer/CFO, Jefferson County Joint Vocational School District, 1509 County Highway 22A, Bloomingdale, Ohio 43910.

Basic Financial

Statements

Jefferson County Joint Vocational School District
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$6,794,317
Cash and Cash Equivalents with Fiscal Agent	1,315,215
Accounts Receivable	25,378
Intergovernmental Receivable	72,835
Materials and Supplies Inventory	10,410
Prepaid Items	982
Property Taxes Receivable	4,788,095
Revenue in Lieu of Taxes Receivable	2,476
Assets Held for Resale	64,775
Net OPEB Asset	442,527
Non-Depreciable Capital Assets	126,196
Depreciable Capital Assets, Net	4,071,541
Total Assets	17,714,747
Deferred Outflows of Resources	
Pension	1,180,385
OPEB	132,150
Total Deferred Outflows of Resources	1,312,535
Liabilities	
Accounts Payable	54,368
Accrued Wages and Benefits Payable	417,880
Contracts Payable	28,260
Intergovernmental Payable	77,025
Accrued Interest Payable	1,017
Retainage Payable	10,414
Unearned Revenue	102,221
Claims Payable	85,748
Long-Term Liabilities:	
Due Within One Year	136,674
Due In More Than One Year:	
Net Pension Liability	4,852,698
Net OPEB Liability	275,173
Other Amounts	438,255
Total Liabilities	6,479,733
Deferred Inflows of Resources	
Property Taxes	4,021,803
Payment in Lieu of Taxes	2,476
Pension	472,007
OPEB	690,572
Total Deferred Inflows of Resources	5,186,858
Net Position	
Net Investment in Capital Assets	3,973,268
Restricted for:	
Capital Projects	1,681,755
State Programs	4,159
Federal Programs	60,095
OPEB Plans	88,278
Student Activity Programs	79,536
Budget Stabilization	17,604
Other Purposes	41,474
Unrestricted	1,414,522
Total Net Position	$7,360,691

See accompanying notes to the basic financial statements

Jefferson County Joint Vocational School District
Statement of Activities
For the Fiscal Year Ended June 30, 2023

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular	$398,068	$0	$26,344	($371,724)
Special	216,981	0	57,079	(159,902)
Vocational	3,615,175	63,170	592,815	(2,959,190)
Adult/Continuing	11,215	0	0	(11,215)
Student Intervention Services	75,125	0	0	(75,125)
Support Services:				
Pupil	451,545	0	77,909	(373,636)
Instructional Staff	399,556	0	0	(399,556)
Board of Education	89,139	0	0	(89,139)
Administration	298,782	0	0	(298,782)
Fiscal	350,830	0	1,103	(349,727)
Operation and Maintenance of Plant	812,438	0	61,112	(751,326)
Central	163,531	0	0	(163,531)
Operation of Non-Instructional/Shared Services	2,409	0	0	(2,409)
Food Service Operations	280,267	59,514	164,383	(56,370)
Extracurricular Activities	62,881	73,095	0	10,214
Interest	3,898	0	0	(3,898)
Total Governmental Activities	$7,231,840	$195,779	$980,745	(6,055,316)

General Revenues	
Property Taxes Levied for General Purposes	3,440,626
Property Taxes Levied for Capital Projects	648,261
Revenue in Lieu of Taxes for General Purposes	2,476
Grants and Entitlements not Restricted to Specific Programs	3,246,100
Contributions and Donations	6,370
Investment Earnings	58,301
Miscellaneous	50,040
Total General Revenues	7,452,174
Change in Net Position	1,396,858
Net Position Beginning of Year	5,963,833
Net Position End of Year	$7,360,691

See accompanying notes to the basic financial statements

Jefferson County Joint Vocational School District
Balance Sheet
Governmental Funds
June 30, 2023

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$4,914,437	$1,569,613	$292,238	$6,776,288
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	18,029	0	0	18,029
Receivables:				
Property Taxes	4,030,924	757,171	0	4,788,095
Intergovernmental	0	0	72,835	72,835
Revenue in Lieu of Taxes	2,476	0	0	2,476
Interfund	92,481	0	0	92,481
Assets Held for Resale	64,775	0	0	64,775
Prepaid Items	982	0	0	982
Materials and Supplies Inventory	0	0	10,410	10,410
Total Assets	$9,124,104	$2,326,784	$375,483	$11,826,371
Liabilities				
Accounts Payable	$38,803	$15,565	$0	$54,368
Accrued Wages and Benefits Payable	404,248	0	13,632	417,880
Contracts Payable	0	28,260	0	28,260
Intergovernmental Payable	69,617	0	7,408	77,025
Interfund Payable	0	0	92,481	92,481
Retainage Payable	0	10,414	0	10,414
Unearned Revenue	0	0	102,221	102,221
Total Liabilities	512,668	54,239	215,742	782,649
Deferred Inflows of Resources				
Property Taxes	3,392,339	629,464	0	4,021,803
Payment in Lieu of Taxes	2,476	0	0	2,476
Unavailable Revenue	451,426	94,915	72,835	619,176
Total Deferred Inflows of Resources	3,846,241	724,379	72,835	4,643,455
Fund Balances				
Nonspendable:				
Materials and Supplies Inventory	0	0	10,410	10,410
Prepaid Items	982	0	0	982
Assets Held for Resale	64,775	0	0	64,775
Unclaimed Monies	425	0	0	425
Restricted for:				
Capital Projects	0	1,548,166	0	1,548,166
State Programs	0	0	4,159	4,159
Federal Programs	0	0	1,465	1,465
Student Activity Programs	0	0	79,536	79,536
Budget Stabilization	17,604	0	0	17,604
Other Purposes	0	0	41,474	41,474
Committed to Capital Projects	203,518	0	0	203,518
Assigned to Purchases on Order	153,628	0	0	153,628
Assigned to Future Appropriations	1,600,840	0	0	1,600,840
Unassigned (Deficit)	2,723,423	0	(50,138)	2,673,285
Total Fund Balances	4,765,195	1,548,166	86,906	6,400,267
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$9,124,104	$2,326,784	$375,483	$11,826,371

See accompanying notes to the basic financial statements

Jefferson County Joint Vocational School District
Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
June 30, 2023

Total Governmental Fund Balances		$6,400,267
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		4,197,737
Other long-term assets are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the funds:		
Delinquent Property Taxes	546,341	
Intergovernmental Revenues	72,835	
Total		619,176
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the Statement of Net Position.		1,254,845
On the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(1,017)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
General Obligation Bonds	162,895	
Subscriptions Payable	22,900	
Compensated Absences	389,134	
Total		(574,929)
The net OPEB asset, net pension liability, and the net OPEB liability are not due and payable in the current period; therefore, the asset, the liability and related deferred inflows/outflows are not reported in the governmental funds:		
Net OPEB Asset	442,527	
Deferred Outflows - Pension	1,180,385	
Deferred Outflows - OPEB	132,150	
Net Pension Liability	(4,852,698)	
Net OPEB Liability	(275,173)	
Deferred Inflows - Pension	(472,007)	
Deferred Inflows - OPEB	(690,572)	
Total		(4,535,388)
Net Position of Governmental Activities		$7,360,691

See accompanying notes to the basic financial statements

Jefferson County Joint Vocational School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	$3,597,822	$681,565	$0	$4,279,387
Intergovernmental	3,750,063	19,959	386,673	4,156,695
Investment Earnings	36,026	0	0	36,026
Tuition and Fees	51,093	0	0	51,093
Extracurricular Activities	12,077	0	73,095	85,172
Revenue in Lieu of Taxes	2,476	0	0	2,476
Contributions and Donations	0	0	6,370	6,370
Charges for Services	0	0	59,514	59,514
Miscellaneous	50,040	0	0	50,040
Total Revenues	7,499,597	701,524	525,652	8,726,773
Expenditures				
Current:				
Instruction:				
Regular	414,594	0	0	414,594
Special	226,104	0	0	226,104
Vocational	3,552,351	89,718	172,875	3,814,944
Adult/Continuing	11,215	0	0	11,215
Student Intervention Services	80,344	0	0	80,344
Support Services:				
Pupil	405,532	0	59,858	465,390
Instructional Staff	419,591	0	0	419,591
Board of Education	97,074	0	0	97,074
Administration	306,571	0	0	306,571
Fiscal	355,503	15,887	0	371,390
Operation and Maintenance of Plant	742,284	181,996	2,862	927,142
Central	173,473	0	0	173,473
Food Service Operations	0	0	285,872	285,872
Extracurricular Activities	0	0	62,881	62,881
Capital Outlay	33,214	0	22,900	56,114
Debt Service:				
Principal Retirement	33,214	0	78,862	112,076
Interest	0	0	4,390	4,390
Total Expenditures	6,851,064	287,601	690,500	7,829,165
Excess of Revenues Over (Under) Expenditures	648,533	413,923	(164,848)	897,608
Other Financing Sources (Use)				
Inception of Subscription	33,214	0	22,900	56,114
Transfers In	0	0	84,568	84,568
Transfers Out	(84,568)	0	0	(84,568)
Total Other Financing Sources (Use)	(51,354)	0	107,468	56,114
Net Change in Fund Balances	597,179	413,923	(57,380)	953,722
Fund Balances Beginning of Year	4,168,016	1,134,243	144,286	5,446,545
Fund Balances End of Year	$4,765,195	$1,548,166	$86,906	$6,400,267

See accompanying notes to the basic financial statements

Jefferson County Joint Vocational School District
Reconciliation of the Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds		$953,722
Amounts reported for governmental activities on the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation/amortization in the current period.		
Capital Asset Additions	653,091	
Depreciation/Amortization Expense	(403,137)	
Total		249,954
Revenues on the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:		
Delinquent Property Taxes	(190,500)	
Intergovernmental Revenues	70,150	
Total		(120,350)
Issuance of debt is reported as other financing sources in governmental funds, but the issuance increases long-term liabilities on the Statement of Net Position.		
Inception of Subscription		(56,114)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Position.		
General Obligation Bonds	78,862	
Subscriptions Payable	33,214	
Total		112,076
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the Statement of Activities.		492
Some expenses reported on the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences Payable		(62,672)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported on the Statement of Activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among governmental activities.		260,705
Contractually required contributions are reported as expenditures in the governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows:		
Pension	438,451	
OPEB	12,461	
Total		450,912
Except for amounts reported as deferred outflows/inflows, changes in net pension/OPEB (asset)/liability are reported as pension/OPEB expense on the Statement of Activities:		
Pension	(481,703)	
OPEB	89,836	
Total		(391,867)
Change in Net Position of Governmental Activities		$1,396,858

See accompanying notes to the basic financial statements

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	$3,244,651	$3,649,159	$3,649,159	$0
Intergovernmental	3,625,966	3,750,063	3,750,063	0
Interest	6,426	31,416	31,416	0
Revenue in Lieu of Taxes	2,476	2,476	2,476	0
Miscellaneous	19,414	50,040	50,040	0
Total Revenues	6,898,933	7,483,154	7,483,154	0
Expenditures				
Current:				
Instruction:				
Regular	565,489	455,178	453,648	1,530
Special	242,353	226,497	225,451	1,046
Vocational	4,568,365	3,627,688	3,617,194	10,494
Student Intervention Services	80,784	80,356	79,905	451
Support Services:				
Pupil	484,705	421,827	420,326	1,501
Instructional Staff	484,705	399,317	398,462	855
Board of Education	80,784	96,993	96,254	739
Administration	323,137	304,943	304,940	3
Fiscal	403,921	362,345	361,702	643
Operation and Maintenance of Plant	888,626	793,182	792,396	786
Central	242,353	178,171	176,483	1,688
Total Expenditures	8,365,222	6,946,497	6,926,761	19,736
Excess of Revenues Over (Under) Expenditures	(1,466,289)	536,657	556,393	19,736
Other Financing Sources (Uses)				
Advances In	134,679	134,680	134,680	0
Advances Out	0	(92,481)	(92,481)	0
Transfers In	521,000	0	0	0
Transfers Out	0	(131,108)	(131,108)	0
Total Other Financing Sources (Uses)	655,679	(88,909)	(88,909)	0
Net Change in Fund Balance	(810,610)	447,748	467,484	19,736
Fund Balance Beginning of Year - Restated (Note 3)	4,002,853	4,002,853	4,002,853	0
Prior Year Encumbrances Appropriated	242,720	242,720	242,720	0
Fund Balance End of Year	$3,434,963	$4,693,321	$4,713,057	$19,736

See accompanying notes to the basic financial statements

Jefferson County Joint Vocational School District
Statement of Fund Net Position
Proprietary Fund
June 30, 2023

	Governmental Activity Internal Service Fund
Assets	
Cash and Cash Equivalents with Fiscal Agent	$1,315,215
Accounts Receivable	25,378
Total Assets	1,340,593
Liabilities	
Claims Payable	85,748
Net Position	
Unrestricted	$1,254,845

See accompanying notes to the basic financial statements

Jefferson County Joint Vocational School District
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2023

	Governmental Activity
	Internal Service Fund
Operating Revenues	
Charges for Services	$1,181,503
Other Operating Revenues	144,552
Total Operating Revenues	1,326,055
Operating Expenses	
Purchased Services	338,056
Claims	749,569
Total Operating Expenses	1,087,625
Operating Gain	238,430
Non-Operating Revenues	
Interest	22,275
Change in Net Position	260,705
Net Position Beginning of Year	994,140
Net Position End of Year	$1,254,845

See accompanying notes to the basic financial statements

Jefferson County Joint Vocational School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2023

	Governmental Activity Internal Service Fund
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Interfund Services	$1,181,503
Cash Payments for Goods and Services	(338,056)
Cash Payments for Claims	(1,084,693)
Cash Received from Other Operating Revenue	482,535
Net Cash Received from Operating Activities	241,289
Cash Flows from Investing Activities	
Interest	22,275
Net Decrease in Cash and Cash Equivalents	263,564
Cash and Cash Equivalents Beginning of Year	1,051,651
Cash and Cash Equivalents End of Year	$1,315,215
Reconciliation of Operating Gain to Net Cash Received from Operating Activities	
Operating Gain	$238,430
Decrease in Accounts Receivable	31,861
Decrease in Claims Payable	(29,002)
Net Cash Received from Operating Activities	$241,289

See accompanying notes to the basic financial statements

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Jefferson County Joint Vocational School District is a joint vocational school district as defined by Section 3331.18 of the Ohio Revised Code and is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A vocational school exposes students to job training leading to employment upon graduation from high school. The Jefferson County Joint Vocational School District includes five members' schools throughout Jefferson County and one member school from Carroll County.

The School District operates under a nine member Board of Education and is responsible for the provision of public education to residents of the school district. The Board of Education consists of three members of the Jefferson County Educational Resource Center, two members of the Steubenville City School District and one member of Toronto City, Indian Creek Local, Buckeye Local, and Edison Local School Districts.

The Jefferson County Board of Education was the sponsoring Board of Education initiating the Jefferson County Joint Vocational School District. The initial meeting of the Jefferson County Joint Vocational School District Board was held on May 6, 1970. Three levy attempts failed in 1970, 1971, and 1972. A special levy was placed on the ballot in July of 1972, and passed.

Ground breaking occurred on January 26, 1974. In September, 1975, the Jefferson County Joint Vocational School District opened with 375 students and 15 programs. The first senior class completed their programs in June of 1977. Currently, the School District is staffed by 4 administrative employees, 24 non-certificated employees, and 30 certificated personnel who provide services to 339 students and other community members.

Reporting Entity:

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

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

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

The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council) and the Coalition of Rural and Appalachian Schools (CORAS), jointly governed organizations, the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP) and the Schools of Ohio Risk Sharing Authority (SORSA), insurance purchasing pools, and the Jefferson Health Plan Self-Insurance Plan, which is defined as a risk-sharing, claims servicing, and insurance purchasing pool. These organizations are presented in Notes 16 and 17.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

Fund Accounting

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

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

> ***General Fund*** **-** The General Fund accounts for and reports all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose, provided it is expended or transferred according to the general laws of Ohio.
>
> ***Permanent Improvement Fund*** - The Permanent Improvement Fund accounts for a permanent improvement levy used to finance various capital projects at the School District.

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

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

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

Measurement Focus

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

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resource measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Net Position.

For proprietary funds, the Statement of Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its proprietary activity.

Basis of Accounting

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

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

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

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

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

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

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

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

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

Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents." The School District utilizes a self-insurance third party administrator to review and pay claims. Money held by the administrator is presented as "Cash and Cash Equivalents with Fiscal Agent."

During fiscal year 2023, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "*Certain External Investment Pools and Pool Participants*." The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of $100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to $250 million per day.

Following Ohio statues, the Board of Education has, by resolution, specified the funds to receive an allocation of investment earnings. Investment earnings credited to the General Fund during fiscal year 2023 amounted to $36,026, which includes $9,872 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments. The School District had no investments meeting the above criteria.

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments. Restricted assets in the governmental funds represent unexpended revenues restricted for unclaimed monies and amounts required by State Statute to be set aside to create a reserve for budget stabilization. See Note 18 for additional information regarding set-asides.

Assets Held for Resale

As an integral part of the instructional laboratory experience for the Construction Trades programs, houses are constructed on the School District site for the purpose of being sold at public auction upon completion. Transactions are conducted through the School District's General Fund for reporting purposes.

Prepaid Items

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

Inventory

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

Capital Assets

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

All capital assets (except intangible right-to-use subscription assets which are discussed below) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of assets by back-trending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.)

Donated capital assets are recorded at their acquisition values as of the date received. The capitalization threshold is five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

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

The School District is reporting intangible right to use assets related to subscription assets. Subscription assets represent intangible right to use assets related to the use of digital textbooks and another party's IT software. These intangible right to use assets are being amortized in a systemic and rational manner over the shorter of the subscription term or the useful life of the underlying asset.

Interfund Balances

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

Compensated Absences

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

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

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

Accrued Liabilities and Long-Term Obligations

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

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

Subscription Payable

The School District is reporting Subscription-Based Information Technology Arrangements (SBITAs) for various noncancellable IT software contracts. At the commencement of the subscription term, the School District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of lease payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at the commencement of the subscription term, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on in a systematic and rational manner over the shorted of the subscription term or the useful life of the underlying IT asset Subscription assets are reported with other capital assets and subscription payables are reported with long-term debt on the statement of net position.

Interfund Activity

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

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

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

Fund Balance

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

> ***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. It also includes the long-term amount of loans and notes receivable, prepaid items, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.
>
> ***Restricted*** The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by State constitution or external resource providers. Fund balance is reported as restricted when constraints/ placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.
>
> ***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for the use in satisfying those contractual requirements.
>
> ***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education or a School District official delegated that authority by resolution or State statute. State statute authorizes the School District's Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Board of Education has assigned fund balance for unrestricted scholarships.

Unassigned The unassigned fund balance is the residual classification for the General Fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report deficit balances.

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

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

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include local receipts restricted for student programs. Restricted net position for OPEB plans represents the corresponding asset amounts after considering the related deferred outflows and deferred inflows.

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

Operating Revenues and Expenses

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

Estimates

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

Budgetary Process

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

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

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

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

Changes in Accounting Principle

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

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

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

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). These changes were incorporated in the School District's 2023 financial statements.

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

Restatement of Budget Basis Fund Balance

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

	General
Budget Basis Fund Balance at June 30, 2022	$4,044,615
Restatement	(41,762)
Restated Budget Basis Fund Balance at June 30, 2022	$4,002,853

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

4. Unrecorded cash represent amounts received but not included on the budgetary statement but reported on the operating statement prepared using GAAP. The reconciled difference between the beginning and end of the year for these items are reflected in the following table as unrecorded cash.

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

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

Net Change in Fund Balance

	General
GAAP Basis	$597,179
Revenue Accruals	(54,267)
Ending Unrecorded Cash	4,610
Advance In	157,195
Expenditure Accruals	86,729
Principal Retirement	0
Advance Out	(114,996)
Transfers Out	(46,541)
Perspective Difference	4,388
Encumbrances	(166,813)
Budget Basis	$467,484

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

At June 30, 2023, the School District's internal service fund had a balance of $1,315,215 with Jefferson Health Plan Self-Insurance Plan, a risk-sharing, claims servicing, and insurance purchasing pool (See Note 17). The balance is held by the claims administrator in a pooled account which is representative of numerous entities and therefore cannot be included in the risk disclosures reported by the School District. Disclosures for the Jefferson Health Plan Self-Insurance Plan as a whole may be obtained from the Plan's fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Jefferson Health Plan Self-Insurance Plan, Treasurer, Jefferson County ESC, Steubenville, Ohio 43952.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2023, $2,772,436 of the School District's total bank balance of $5,794,872 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The School District's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

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

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

Investments

As of June 30, 2023, the School District's only investment was in STAR Ohio. STAR Ohio is measured at net asset value per share. The value of the investments in STAR Ohio was $1,070,841 and the investment has an average maturity of 38.5 days.

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

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

NOTE 6 - PROPERTY TAXES

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

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

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

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

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

The amount available as an advance at June 30, 2023, was $187,159 in the General Fund and $32,792 in the Permanent Improvement Capital Projects Fund. The amount available as an advance at June 30, 2022, was $238,496 in the General Fund and $50,546 in the Permanent Improvement Capital Projects Fund.

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

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

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential And Other Real Estate	$1,277,435,700	73.58%	$1,337,159,720	73.13%
Public Utility Personal	458,605,890	26.42%	491,345,290	26.87%
Total Assessed Values	$1,736,041,590	100.00%	$1,828,505,010	100.00%
Tax Rate per $1,000 of assessed valuation	$2.50		$2.50	

NOTE 7 - RECEIVABLES

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

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

Governmental Activities:	Amount
Perkins Grant	$14,205
Governors Emergency Education Relief Grant	58,630
Total Intergovernmental Receivable	$72,835

Revenue In Lieu of Taxes

Business Development: On November 17, 2015, the Board of Education of Jefferson County Joint Vocational School District approved a Tax Increment Financing Agreement (TIF) with the City of Steubenville. The purpose of the TIF is economic development and infrastructure improvements benefitting the public. The TIF agreement is for a thirty year period effective December 3, 2015. During fiscal year 2023, a payment in the amount of $2,476 was received. As of June 30, 2023, a receivable for $2,476 has been recorded which represents the payment anticipated for fiscal year 2024.

NOTE 8 - INTERNAL BALANCES AND TRANSFERS

Interfund Balances

The School District had the following interfund balances at June 30, 2023:

	Interfund Receivable
Interfund Payable	General Fund
Other Nonmajor Funds	$92,481

The General Fund made loans to the Food Service, Perkins Grant, and the Governor's Emergency Education Relief, Special Revenue Funds to support the program until grant monies are received to operate the programs.

Transfers

The School District made the following transfers during the fiscal year:

	Transfers Out
Transfers In	General Fund
Other Nonmajor Funds	$84,568

Transfers from the General Fund were used to provide resources to the Debt Service Fund for scheduled debt service payments. Additionally, General Fund transfers were also used to support honor club student activity programs.

NOTE 9 - CAPITAL ASSETS

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

	Balance 6/30/2022	Additions	Reductions	Balance 6/30/2023
Governmental Activities				
Nondepreciable Capital Assets				
Land	$87,522	$0	$0	$87,522
Construction in Progress	0	38,674	0	38,674
Total Nondepreciable Capital Assets	87,522	38,674	0	126,196
Depreciable Capital Assets				
Tangible Assets				
Land Improvements	231,017	0	0	231,017
Buildings and Improvements	8,661,391	90,778	0	8,752,169
Machinery, Equipment, Furniture and Fixtures	1,924,005	437,245	0	2,361,250
Vehicles	65,883	30,280	0	96,163
Total Tangible Assets	10,882,296	558,303	0	11,440,599
Intangible Right to Use				
Subscription Assets				
Intangible Right to Use - Subscription	0	56,114	0	56,114
Total Depreciable Capital Assets	10,882,296	614,417	0	11,496,713
Less Accumulated Depreciation/Amortization				
Depreciation				
Land Improvements	(148,027)	(17,473)	0	(165,500)
Buildings and Improvements	(5,511,546)	(236,690)	0	(5,748,236)
Machinery, Equipment, Furniture and Fixtures	(1,313,849)	(135,065)	0	(1,448,914)
Vehicles	(48,613)	(3,793)	0	(52,406)
Total Depreciation	(7,022,035)	(393,021)	0	(7,415,056)
Amortization				
Intangible Right to Use				
Subscription Assets				
Intangible Right to Use - Subscription	0	(10,116)	0	(10,116)
Total Accumulated Depreciation/Amortization	(7,022,035)	(403,137)	0	(7,425,172)
Total Depreciable Capital Assets, Net	3,860,261	211,280	0	4,071,541
Governmental Activities Capital Assets, Net	$3,947,783	$249,954	$0	$4,197,737

Depreciation/Amortization expense was charged to governmental activities as follows:

	Depreciation	Amortization	Total
Instruction:			
Regular	$0	$5,536	$5,536
Vocational	347,430	0	347,430
Support Services:	0	0	0
Administration	9,468	0	9,468
Fiscal	2,367	0	2,367
Operation and Maintenance of Plant	29,022	4,580	33,602
Food Service Operations	4,734	0	4,734
Total	$393,021	$10,116	$403,137

NOTE 10 - RISK MANAGEMENT

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023, the School District contracted with Schools of Ohio Risk Sharing Authority (SORSA), an insurance purchasing pool for property, general liability, and auto insurance. See Note 17 for further details. Coverages provided are as follows:

Property - Including Inland Marine and Miscellaneous Equipment:	
Building and Contents-replacement cost (no deductible)	$26,246,701
Crime Cover:	
Employee Theft	1,000,000
Forgery	1,000,000
Computer Fraud	1,000,000
General Liability:	
Each Occurance	15,000,000
Aggregated Limit	17,000,000
Automobile Liability:	
Bodily Injury and Property Damage- Per Occurance	15,000,000
Medical Payments - Per Occurance	10,000
Medical Payments - Aggregate	25,000
Uninsured Motorist - Aggregate	1,000,000

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

Worker's Compensation

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

Employee Benefits

Medical/surgical, prescription drug, life, and dental insurance are offered to employees through a self-insurance internal service fund. The School District is a member of the Jefferson Health Plan Self-Insurance Plan, a risk-sharing, claims servicing, and insurance purchasing pool, consisting of over one hundred members, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. The medical/surgical/prescription drug coverage is based on a usual, customary, and reasonable claim plan. The Board's share of the premiums for this coverage is $1,695.68 for individual coverage per month and $3,382.97 for family coverage per month which represents 97 percent of the total premium for the certified and classified staff. The premium is paid from the fund that pays the salary of the covered employee. Premiums for the dental coverage are $160.30 per month for family coverage and $72.36 per month for single coverage for all staff. The Board's share of dental coverage premiums is 97 percent for the certified and classified staff.

The claims liability of $85,748 reported in the Internal Service Fund at June 30, 2023, is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported.

The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

Program	Beginning Balance	Current Year Claims		Claims Payments		Ending Balance
Self Insurance - Health						
2022	$113,087	$503,738		$502,075		$114,750
2023	114,750	774,947	(1)	803,949	(2)	85,748
(1) Claims Expense		$749,569				
+ Stop Loss Receivable		25,378				
Current Year Claims		$774,947				
(2) Cash Payments for Claims				$1,084,693		
- Stop Loss Received for 2023 Claims				(280,744)		
Claims Payments				$803,949		

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability (Assets)

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

The School District's contractually required contribution to SERS was $113,894 for fiscal year 2023.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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

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

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

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

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

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

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

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

The School District's contractually required contribution to STRS was $324,557 for fiscal year 2023. Of this amount $43,411 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.01947740%	0.01709036%	
Prior Measurement Date	0.01865000%	0.01689149%	
Change in Proportionate Share	0.00082740%	0.00019887%	
Proportionate Share of the Net:			
Pension Liability	$1,053,490	$3,799,208	$4,852,698
Pension Expense	($78,116)	($403,587)	($481,703)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$42,667	$48,635	$91,302
Changes of assumptions	10,395	454,651	465,046
Net difference between projected and actual earnings on pension plan investments	0	132,204	132,204
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	36,538	16,844	53,382
School District contributions subsequent to the measurement date	113,894	324,557	438,451
Total Deferred Outflows of Resources	$203,494	$976,891	$1,180,385
Deferred Inflows of Resources			
Differences between expected and actual experience	$6,916	$14,533	$21,449
Changes of assumptions	0	342,222	342,222
Net difference between projected and actual earnings on pension plan investments	36,762	0	36,762
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	0	71,574	71,574
Total Deferred Inflows of Resources	$43,678	$428,329	$472,007

$438,451 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$25,828	($21,944)	$3,884
2025	11,516	(37,042)	(25,526)
2026	(52,515)	(102,311)	(154,826)
2027	61,093	385,302	446,395
Total	$45,922	$224,005	$269,927

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$1,550,686	$1,053,490	$634,608

Actuarial Assumptions – STRS

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

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

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

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$5,739,221	$3,799,208	$2,158,559

Social Security System

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

NOTE 12 – DEFINED BENEFIT OPEB PLANS

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

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the School District's surcharge obligation was $12,461.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was $12,461 for fiscal year 2023. Of this amount $12,461 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.01959910%	0.01709036%	
Prior Measurement Date	0.01888490%	0.01689149%	
Change in Proportionate Share	0.00071420%	0.00019887%	
Proportionate Share of the:			
Net OPEB Liability	$275,173	$0	$275,173
Net OPEB (Asset)	$0	($442,527)	($442,527)
OPEB Expense	($4,636)	($85,200)	($89,836)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$2,313	$6,415	$8,728
Changes of assumptions	43,770	18,850	62,620
Net difference between projected and actual earnings on OPEB plan investments	1,430	7,703	9,133
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	39,208	0	39,208
School District contributions subsequent to the measurement date	12,461	0	12,461
Total Deferred Outflows of Resources	$99,182	$32,968	$132,150
Deferred Inflows of Resources			
Differences between expected and actual experience	$176,021	$66,459	$242,480
Changes of assumptions	112,961	313,794	426,755
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	14,373	6,964	21,337
Total Deferred Inflows of Resources	$303,355	$387,217	$690,572

$12,461 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	($41,183)	($106,948)	($148,131)
2025	(50,888)	(101,294)	(152,182)
2026	(48,489)	(47,774)	(96,263)
2027	(28,730)	(19,924)	(48,654)
2028	(18,696)	(25,886)	(44,582)
Thereafter	(28,648)	(52,423)	(81,071)
Total	($216,634)	($354,249)	($570,883)

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

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

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

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

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

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
School District's proportionate share of the net OPEB liability	$341,770	$275,173	$221,412

	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	$212,208	$275,173	$357,416

Actuarial Assumptions – STRS

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

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

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	($409,104)	($442,527)	($471,155)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	($459,007)	($442,527)	($421,723)

NOTE 13 - OTHER EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees who work 260 days per year earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and administrators who work less than 260 days do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 240 days. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 50 days.

Other Insurance Benefits

The Board pays 100 percent of the premiums for life and vision coverage. Life insurance is provided through MetLife. Coverage is in the amount of $45,000 for all certified teachers and classified employees at a total monthly premium of $6.53 and coverage of $50,000 for administrators at a total monthly premium of $7.25. The School District provides vision insurance through Vision Service Plan at a cost of $12.11 for single coverage and $27.01 for family coverage per month.

NOTE 14 - LONG - TERM OBLIGATIONS

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

	Outstanding 6/30/22	Additions	Deductions	Outstanding 6/30/23	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds					
2010 Energy Conservation Qualified School Construction Bonds:					
Serial Bonds, $1,078,690 @ 2.170%	$241,757	$0	$78,862	$162,895	$80,573
Subscription Payable	0	56,114	33,214	22,900	22,900
Net Pension Liability					
SERS	688,131	365,359	0	1,053,490	0
STRS	2,159,729	1,639,479	0	3,799,208	0
Total Net Pension Liability	2,847,860	2,004,838	0	4,852,698	0
SERS Net OPEB Liability	357,411	0	82,238	275,173	0
Compensated Absences	326,462	82,200	19,528	389,134	33,201
Total Governmental Activities	$3,773,490	$2,143,152	$213,842	$5,702,800	$136,674

2010 Energy Conservation Qualified School Construction Bonds

On March 17, 2010, Jefferson County Joint Vocational School District issued $1,078,690 of general obligation bonds, in accordance with the American Recovery and Reinvestment Act (ARRA) of 2009 and House Bill 264. The bonds were issued to finance an energy conservation project. The bonds were issued at a 2.170 percent interest rate, for a period of fifteen years with a final maturity at September 15, 2024.

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

Principal and Interest requirements to retire the remaining outstanding qualified school construction bonds for the 2010 Energy Conservation Bonds are as follows:

	Serial Bonds		
Fiscal Year Ending June 30	Principal	Interest	Total
2024	$80,573	$2,660	$83,233
2025	82,322	892	83,214
Total	$162,895	$3,552	$166,447

The School District's voted legal debt margin was $164,402,556, with an unvoted debt margin of $1,828,505, at June 30, 2023.

Subscriptions Payable

The School District has various outstanding contracts to use a SBITA vendor's IT software, including digital textbooks and other software. Due to the implementation of GASB Statement No. 96, these subscriptions, have met the criteria of subscriptions thus requiring them to be recorded by the School District. The remaining principal outstanding at June 30, 2023 was $22,900. The entire amount is due in one year. These subscriptions are paid from the General Fund and Education Stabilization Special Revenue Fund.

Compensated absences

Compensated absences will be paid from the General Fund.

Net Pension/OPEB Liability

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

NOTE 15 – SIGNIFICANT COMMITMENTS

Contractual Commitments

As of June 30, 2023, the School District's contractual purchase commitments are as follows:

Project	Fund	Contract Amount	Amount Expended	Balance at 06/30/2023
Cosmoteology Lab Renovations	Permanent Improvement	$229,064	$38,674	$190,390

Encumbrances

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

Major Funds:	
General	$166,813
Permanent Improvement	329,222
Other Non-major Governmental Funds	71,089
Total	$567,124

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

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

The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council). The Council was created as a separate regional council of governments pursuant to State Statutes. The Council operates under the direction of a Board comprised of a representative from each participating school district. The Board exercised total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the Board. The Council provides information technology and internet access to member districts, as well as cooperative purchasing programs. During fiscal year 2023, the total amount paid to OME-RESA from the School District was $32,474 for technology services, and financial accounting services and educational management information. The Jefferson County Educational Service Center serves as the fiscal agent. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency, Treasurer, at 2023 Sunset Blvd., Steubenville, Ohio 43952.

Coalition of Rural and Appalachian Schools (CORAS)

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

NOTE 17 - PUBLIC ENTITY POOLS

Insurance Purchasing Pools

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

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program. The School District's enrollment fee of $280 for policy year 2023 was paid to Sedgwick.

Schools of Ohio Risk Sharing Authority (SORSA)

The School District participates in the Schools of Ohio Risk Sharing Authority (SORSA), a protected self-insurance purchasing pool under the authority of Ohio Revised Code 2744. One hundred twenty one school districts, educational service centers, and joint vocational school districts participate in the SORSA. SORSA is governed by a board of trustees elected by members. Member school districts agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by SORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance, and public official's errors and omissions liability insurance.

Risk Sharing, Claims Servicing, and Insurance Purchasing Pool

The Jefferson Health Plan Self-Insurance Plan

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

NOTE 18 - SET-ASIDE CALCULATIONS AND FUND RESTRICTIONS

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

Effective April 10, 2001, through Amended Substitute Senate Bill 345, the requirement for school districts to establish and appropriate money for the budget stabilization was deleted from law. A school district may still establish reserve balance accounts consistent with Section 5705.13, Revised Code, if it so chooses; however, the requirement is no longer mandatory. In addition, any money on hand in a school district's budget reserve set-aside as of April 10, 2001, may, at the discretion of the board, be returned to the School District's General Fund or may be left in the account and used by the board to offset any budget deficit the district may experience in future fiscal years. The bill placed special conditions on any Bureau of Workers' Compensation monies remaining in the budget reserve. During fiscal year 2004, the Board of Education passed a resolution to maintain only the refunds from the Bureau of Workers Compensation in the budget reserve pursuant to State Statue.

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

	Capital Improvements	Budget Stabilization
Set-aside Restricted Balance as of June 30, 2022	$0	$17,604
Current Year Set-aside Requirement	80,019	0
Current Year Offsets	(719,278)	0
Totals	($639,259)	$17,604
Balance Carried Forward to Fiscal Year 2024	$0	$17,604
Set-aside Restricted Balance as of June 30, 2023	$0	$17,604

The School District had offsets during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside which may not be carried forward to future fiscal years. The School District also had prior fiscal year capital expenditures from note and bond proceeds that may be carried forward to offset future set-aside requirements, if needed. The total restricted balance for the set-asides at the end of the fiscal year was $17,604.

NOTE 19 - CONTINGENCIES

Grants

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

State Foundation Funding

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year-end. As of the date of this report, additional ODE adjustments for fiscal year 2023 have been finalized which did not result ina material receivable from, or liability to the School District.

Litigation

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

Oil and Gas Lease

Previously, the Board of Education entered into a "Paid-Up" Oil and Gas Lease with Hess Ohio Resources, LLC. On September 20, 2016, The Board of Education approved an addendum to the oil and gas lease agreement with Ascent Resources - Utica, LLC, previously, Hess Ohio Resources. The oil and gas lease was amended to extend the lease period from October 12, 2011, to October 11, 2019, and the School District has an option to extend the primary term of this lease for up to two additional successive terms of one year each. On October 16, 2019, the School District received $83,370 which represents the first extension payment. As of the date of the financial statements, the School District has not received a second extension payment.

The School District has a total of 88.691 acres subject to the lease provisions which call for payments or royalties to the School District (Lessor), in addition to the bonus. The royalties will be 18.75 percent of the gross price paid to Ascent Resources - Utica, LLC (Lessee) for such gas oil, and other hydrocarbons so produced and marketed from the leased premises. The total carrying value of the land leased is $87,522. As of the date of the financial statements, the value of any potential royalties cannot be determined, and the School District has not received any financial compensation beyond the bonus.

NOTE 20 - ACCOUNTABILITY

At June 30, 2023, the following nonmajor special revenue funds had deficit fund balances:

	Deficits
Special Revenue Funds:	
Food Service	$24,001
Perkins Grant	14,262

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

NOTE 21 - COVID-19

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

Required

Supplementary

Information

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

	2023	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.01947740%	0.01865000%	0.01822640%	0.01833500%
School District's Proportionate Share of the Net Pension Liability	$1,053,490	$688,131	$1,205,533	$1,097,015
School District's Covered Payroll	$727,600	$643,750	$638,979	$641,200
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	144.79%	106.89%	188.67%	171.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
0.01992380%	0.01565330%	0.01682840%	0.01668270%	0.01718500%	0.01718500%
$1,141,073	$935,249	$1,231,684	$951,931	$869,723	$1,021,937
$591,319	$503,786	$523,329	$504,173	$500,996	$476,847
192.97%	185.64%	235.36%	188.81%	173.60%	214.31%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

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

	2023	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.01709036%	0.01689149%	0.01693201%	0.01752372%
School District's Proportionate Share of the Net Pension Liability	$3,799,208	$2,159,729	$4,096,945	$3,875,266
School District's Covered Payroll	$2,236,057	$2,093,971	$2,048,457	$2,063,450
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	169.91%	103.14%	200.00%	187.81%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.80%	87.80%	75.50%	77.40%

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
0.01766606%	0.01781101%	0.18349290%	0.01829970%	0.01863591%	0.01863591%
$3,884,370	$4,231,044	$6,142,060	$5,057,503	$4,532,899	$5,399,559
$2,011,521	$1,960,729	$1,927,607	$1,940,271	$1,900,685	$1,893,638
193.11%	215.79%	318.64%	260.66%	238.49%	285.14%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

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

	2023	2022	2021	2020
School District's Proportion of the Net OPEB Liability	0.01959910%	0.01888490%	0.01864410%	0.01852610%
School District's Proportionate Share of the Net OPEB Liability	$275,173	$357,411	$405,197	$465,893
School District's Covered Payroll	$727,600	$643,750	$638,979	$641,200
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	37.82%	55.52%	63.41%	72.66%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%	15.57%

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

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

See accompanying notes to the required supplementary information.

2019	2018	2017
0.01968220%	0.01565390%	0.01675290%
$546,038	$420,110	$477,520
$591,319	$503,786	$523,329
92.34%	83.39%	91.25%
13.57%	12.46%	11.49%

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

	2023	2022	2021	2020
School District's Proportion of the Net OPEB (Asset) Liability	0.01709036%	0.01689149%	0.01693201%	0.01752372%
School District's Proportionate Share of the Net OPEB (Asset) Liability	($442,527)	($356,144)	($297,580)	($290,234)
School District's Covered Payroll	$2,236,057	$2,093,971	$2,048,457	$2,063,450
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-19.79%	-17.01%	-14.53%	-14.07%
Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset) Liability	230.70%	174.70%	182.10%	174.70%

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

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

See accompanying notes to the required supplementary information.

2019	2018	2017
0.01766606%	0.01781101%	0.01834929%
($283,875)	$694,919	$981,325
$2,011,521	$1,960,729	$1,927,607
-14.11%	35.44%	50.91%
176.00%	47.10%	37.30%

Jefferson County Joint Vocational School District

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

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	$113,894	$101,864	$90,125	$89,457
Contributions in Relation to the Contractually Required Contribution	(113,894)	(101,864)	(90,125)	(89,457)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$813,529	$727,600	$643,750	$638,979
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution (2)	$12,461	$11,180	$10,536	$10,703
Contributions in Relation to the Contractually Required Contribution	(12,461)	(11,180)	(10,536)	(10,703)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	1.53%	1.54%	1.64%	1.68%
Total Contributions as a Percentage of Covered Payroll (2)	15.53%	15.54%	15.64%	15.68%

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
$86,562	$79,828	$70,530	$73,266	$66,450	$69,438
(86,562)	(79,828)	(70,530)	(73,266)	(66,450)	(69,438)
$0	$0	$0	$0	$0	$0
$641,200	$591,319	$503,786	$523,329	$504,173	$500,996
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%
$13,217	$11,234	$7,465	$7,186	$11,479	$7,957
(13,217)	(11,234)	(7,465)	(7,186)	(11,479)	(7,957)
$0	$0	$0	$0	$0	$0
2.06%	1.90%	1.48%	1.37%	2.28%	1.59%
15.56%	15.40%	15.48%	15.37%	15.46%	15.45%

Jefferson County Joint Vocational School District
Required Supplementary Information
Schedule of School District Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	$324,557	$313,048	$293,156	$286,784
Contributions in Relation to the Contractually Required Contribution	(324,557)	(313,048)	(293,156)	(286,784)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$2,318,264	$2,236,057	$2,093,971	$2,048,457
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
$288,883	$281,613	$274,502	$269,865	$271,638	$247,089
(288,883)	(281,613)	(274,502)	(269,865)	(271,638)	(247,089)
$0	$0	$0	$0	$0	$0
$2,063,450	$2,011,521	$1,960,729	$1,927,607	$1,940,271	$1,900,685
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%
$0	$0	$0	$0	$0	$19,007
0	0	0	0	0	(19,007)
$0	$0	$0	$0	$0	$0
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

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

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

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

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

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

Changes in Assumptions - STRS

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

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

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

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

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

Changes in Benefit Term – STRS Pension

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

Net OPEB Liability

Changes in Assumptions – SERS

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

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

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

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

Changes in Assumptions – STRS

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

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

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

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

Changes in Benefit Terms – STRS OPEB

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

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

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

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

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

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

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

Financial Highlights

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

- In total, net position increased $1,857,384.

- General revenues accounted for $7,233,954 in revenue or approximately 87 percent of all revenues. Program specific revenues in the form of charges for services and sales, and operating grants and contributions accounted for $1,108,701 or approximately 13 percent of total revenues of $8,342,655.

- Total assets of governmental activities increased $1,340,113, primarily due to increases in cash and cash equivalents. Total liabilities of governmental activities decreased $2,523,175, primarily due to a decrease in net pension liability and net OPEB liability.

- The School District had $6,485,271 in expenses related to governmental activities; only $1,108,701 of these expenses was offset by program specific charges for services and sales and operating grants and contributions. General revenues of $7,233,954 were adequate to provide for these programs.

- Total governmental funds had $8,225,005 in revenues and $7,020,251 in expenditures. Overall, the net change in total governmental fund balances, including other financing sources (uses), was an increase of $1,204,754.

Using this Annual Financial Report

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

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

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

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

The School District as a Whole

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

Table 1
Net Position
Governmental Activities

	2022	2021	Change
Assets			
Current and Other Assets	$11,617,751	$10,237,798	$1,379,953
Net OPEB Asset	356,144	297,580	58,564
Capital Assets	3,947,783	4,046,187	(98,404)
Total Assets	15,921,678	14,581,565	1,340,113
Deferred Outflows of Resources			
Pension	1,111,347	890,505	220,842
OPEB	151,235	182,657	(31,422)
Total Deferred Outflows of Resources	1,262,582	1,073,162	189,420
Liabilities			
Current and Other Liabilities	725,816	660,495	65,321
Long-Term Liabilities:			
Due Within One Year	110,789	109,655	1,134
Due in More than One Year:			
Net Pension Liability	2,847,860	5,302,478	(2,454,618)
Net OPEB Liability	357,411	405,197	(47,786)
Other Amounts	457,430	544,656	(87,226)
Total Liabilities	4,499,306	7,022,481	(2,523,175)
Deferred Inflows of Resources			
Property Taxes	3,710,757	3,702,975	7,782
Payment in Lieu of Taxes	2,476	2,476	0
Pension	2,364,555	218,989	2,145,566
OPEB	643,333	601,357	41,976
Total Deferred Inflows of Resources	6,721,121	4,525,797	2,195,324
Net Position			
Net Investment in Capital Assets	3,706,026	3,727,243	(21,217)
Restricted	1,431,003	1,129,137	301,866
Unrestricted (Deficit)	826,804	(749,931)	1,576,735
Total Net Position	$5,963,833	$4,106,449	$1,857,384

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2022. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State Statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State Statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Total assets of governmental activities increased $1,340,113. Current and other assets increased $1,379,953, primarily due to increases in equity in pooled cash and cash equivalents as the School District continues to keep its cash basis expenditures below the increasing revenue levels. The School District also reflects a net OPEB asset in the amount of $356,144, an increase from the prior year. Capital assets decreased in the amount of $98,404, due to annual depreciation exceeding capital asset additions.

Total liabilities decreased $2,523,175. Current and other liabilities increased by $65,321 primarily due to increases in accrued wages and benefits. Long-term liabilities decreased $2,588,496, primarily due a decrease in net pension liability, due to the changes in assumptions offset by changes in net investment income.

The School District's deferred inflows of resources increased $2,195,324, primarily due to the previously mentioned change in the net difference between projected and actual earnings on pension plan investments.

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

Table 2
Changes in Net Postion
Governmental Activities

	2022	2021	Change
Revenues			
Program Revenues:			
Charges for Services and Sales	$91,773	$296,099	($204,326)
Operating Grants and Contributions	1,016,928	938,761	78,167
Total Program Revenues	1,108,701	1,234,860	(126,159)
General Revenues:			
Property Taxes	4,141,223	4,043,767	97,456
Revenue in Lieu of Taxes	2,476	2,476	0
Grants and Entitlements not Restricted to Specific Programs	2,910,458	2,482,545	427,913
Donations	8,550	0	8,550
Interest	8,187	11,292	(3,105)
Others	163,060	11,857	151,203
Total General Revenues	7,233,954	6,551,937	682,017
Total Revenues	8,342,655	7,786,797	555,858
Program Expenses			
Instruction:			
Regular	364,554	319,739	44,815
Special	204,340	309,045	(104,705)
Vocational	3,193,765	3,372,965	(179,200)
Adult/Continuing	2,406	6,241	(3,835)
Student Intervention Services	75,403	58,828	16,575
Support Services:			
Pupil	343,793	352,585	(8,792)
Instructional Staff	339,709	350,118	(10,409)
Board of Education	67,086	74,740	(7,654)
Administration	244,142	274,535	(30,393)
Fiscal	367,953	346,271	21,682
Operation and Maintenance of Plant	909,251	888,267	20,984
Central	134,104	117,667	16,437
Operation of Non-Instructional Services	1,039	9,092	(8,053)
Food Service Operations	195,173	231,072	(35,899)
Extracurricular	36,951	16,581	20,370
Interest and Fiscal Charges	5,602	7,269	(1,667)
Total Expenses	6,485,271	6,735,015	(249,744)
Change in Net Position	1,857,384	1,051,782	805,602
Net Position Beginning of Year	4,106,449	3,054,667	1,051,782
Net Position End of Year	$5,963,833	$4,106,449	$1,857,384

In fiscal year 2022, approximately 50 percent of the School District's revenues were from property taxes and approximately 35 percent were from unrestricted grants and entitlements. The change in unrestricted grant revenues is due primarily to changes in the model for State Foundation Funding. The new funding model took effect in fiscal year 2022. The changes in the funding model resulted in reductions in charges for services related to tuition and fees. The increases in operating grants and contributions is due primarily to an increase in program specific State Funding.

The School District receives revenue in lieu of taxes as part of a Tax Increment Financing (TIF) agreement with the City of Steubenville. See Note 7 for further details.

Instructional programs comprise approximately 59 percent of total governmental program expenses. Of the instructional expenses, approximately 83 percent is for vocational instruction, approximately 9 percent is for regular instruction, approximately 5 percent is for special instruction, and the remaining is for student intervention services, and adult/continuing instruction. Overall program expenses decreased $249,744. The decrease in program expenses is primarily due pension and OPEB.

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
Program Expenses				
Instruction:				
Regular	$364,554	$319,739	$341,959	$298,498
Special	204,340	309,045	155,385	263,023
Vocational	3,193,765	3,372,965	2,485,142	2,593,675
Adult/Continuing	2,406	6,241	2,406	6,241
Student Intervention Services	75,403	58,828	75,403	58,828
Support Services:				
Pupil	343,793	352,585	320,942	215,638
Instructional Staff	339,709	350,118	339,709	350,118
Board of Education	67,086	74,740	67,086	74,740
Administration	244,142	274,535	244,142	274,535
Fiscal	367,953	346,271	367,053	345,378
Operation and Maintenance of Plant	909,251	888,267	884,124	839,630
Central	134,104	117,667	127,044	102,843
Operation of Non-Instructional Services	1,039	9,092	1,039	9,092
Food Service Operations	195,173	231,072	(45,225)	62,018
Extracurricular	36,951	16,581	4,759	(1,371)
Interest and Fiscal Charges	5,602	7,269	5,602	7,269
Total Expenses	$6,485,271	$6,735,015	$5,376,570	$5,500,155

The dependence upon tax revenues and state subsidies for governmental activities is apparent as approximately 83 percent of expenses are supported through taxes and other general revenues.

The School District's Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. The School District has two major funds, the General Fund and the Permanent Improvement Capital Projects Fund. The General Fund had $6,933,904 in revenues and $5,963,456 in expenditures, and the Permanent Improvement Fund had $659,751 in revenues and $346,960 in expenditures. Overall, including other financing uses, the General Fund's balance increased $884,491 due to an increase in revenue from State Funding. The Permanent Improvement Capital Projects Fund's balance increased $312,791, which is less than the prior year's fund balance increase as maintenance costs increased.

General Fund Budgeting Highlights

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

During the course of fiscal 2022, the School District amended its General Fund estimated revenues and appropriations, and the budgetary statement reflects both the original and final appropriated amounts. Final appropriations differed from the original amounts as the budget was amended to reflect actual expenditures. There were no significant differences between final budget and actual activity during the fiscal year.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2022, the School District had $3,947,783 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. See Note 9 for more detailed information of the School District's capital assets.

Debt

At June 30, 2022, the School District had $241,757 outstanding in 2010 Energy Conservation Qualified School Construction Bonds, with $78,862 due in one year. See Note 14 for more information on the School District's debt and other long-term obligations, including compensated absences and the net pension liability/OPEB liability.

Economic Factors

Public Utility Tax Adjustments

The Public Utility Tax is the driving force for most of the significant increases in tax collections. Production since calendar year 2015 has shown remarkable growth. Although the per barrel oil production and price have both decreased over the past few years, the gas volume has increased and the price has remained somewhat stable.

Jefferson County is a heavy gas producer, unlike the surrounding counties that produce more oil. These values are reported as commercial and industrial values on the property tax bills. There is a two year lag from production year to collection year. The information provided in the table below is a valuable tool utilized by the Jefferson County Joint Vocational School District when projecting future tax revenues.

Ohio Department of Taxation Production for Jefferson County

	2016	2017	2018	2019	2020	2021
Oil*	593	255	32	0	0	0
Gas**	46,012,135	144,368,353	352,464,237	533,605,775	484,550,351	438,100,095

Ohio Department of Taxation Prices

	2017	2018	2019	2020	2021	2022
Oil	$4,510	$3,920	$3,370	$3,020	$3,160	$3,490
Gas	$190	$190	$170	$150	$160	$170

* Average Daily Production: one barrel or more
** Average Daily Production: eight MCF or more

Modular Home Sales

The Board of Education determined that the Carpentry Class project would continue with modular home construction on site. A section of the parking lot has been gated off in order to accommodate the project.

Construction on the second modular began during the 2018-2019 school year. The preferred method of sale is to have a buyer under contract before the modular is constructed; however, in the event that does not occur, the modular will be auctioned upon completion. Each modular home design is approved by the State and is subject to a permit. All transportation, site development, and any other additional costs are the responsibility of the buyer. A completed modular was sold in fiscal year 2021 for $50,100. Construction has begun on the next modular home.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Karen Spoonemore, Treasurer/CFO, Jefferson County Joint Vocational School District, 1509 County Highway 22A, Bloomingdale, Ohio 43910.

Basic Financial

Statements

Jefferson County Joint Vocational School District
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$6,684,432
Accounts Receivable	57,239
Intergovernmental Receivable	91,381
Materials and Supplies Inventory	14,871
Prepaid Items	2,248
Property Taxes Receivable	4,736,640
Revenue in Lieu of Taxes Receivable	2,476
Assets Held for Resale	28,464
Net OPEB Asset	356,144
Non-Depreciable Capital Assets	87,522
Depreciable Capital Assets, Net	3,860,261
Total Assets	15,921,678
Deferred Outflows of Resources	
Pension	1,111,347
OPEB	151,235
Total Deferred Outflows of Resources	1,262,582
Liabilities	
Accounts Payable	91,816
Accrued Wages and Benefits Payable	430,562
Intergovernmental Payable	67,285
Matured Severance Payable	19,894
Accrued Interest Payable	1,509
Claims Payable	114,750
Long-Term Liabilities:	
Due Within One Year	110,789
Due In More Than One Year:	
Net Pension Liability	2,847,860
Net OPEB Liability	357,411
Other Amounts	457,430
Total Liabilities	4,499,306
Deferred Inflows of Resources	
Property Taxes	3,710,757
Payment in Lieu of Taxes	2,476
Pension	2,364,555
OPEB	643,333
Total Deferred Inflows of Resources	6,721,121
Net Position	
Net Investment in Capital Assets	3,706,026
Restricted for:	
Capital Projects	1,262,462
Food Service Operations	37,974
State Programs	6,339
Federal Programs	1,464
Student Activity Programs	68,006
Budget Stabilization	17,604
Other Purposes	37,154
Unrestricted (Deficit)	826,804
Total Net Position	$5,963,833

See accompanying notes to the basic financial statements

Jefferson County Joint Vocational School District
Statement of Activities
For the Fiscal Year Ended June 30, 2022

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular	$364,554	$0	$22,595	($341,959)
Special	204,340	0	48,955	(155,385)
Vocational	3,193,765	54,039	654,584	(2,485,142)
Adult/Continuing	2,406	0	0	(2,406)
Student Intervention Services	75,403	0	0	(75,403)
Support Services:				
Pupil	343,793	0	22,851	(320,942)
Instructional Staff	339,709	0	0	(339,709)
Board of Education	67,086	0	0	(67,086)
Administration	244,142	0	0	(244,142)
Fiscal	367,953	0	900	(367,053)
Operation and Maintenance of Plant	909,251	0	25,127	(884,124)
Central	134,104	0	7,060	(127,044)
Operation of Non-Instructional/Shared Services	1,039	0	0	(1,039)
Food Service Operations	195,173	5,542	234,856	45,225
Extracurricular Activities	36,951	32,192	0	(4,759)
Interest and Fiscal Charges	5,602	0	0	(5,602)
Total Governmental Activities	$6,485,271	$91,773	$1,016,928	(5,376,570)

General Revenues	
Property Taxes Levied for General Purposes	3,462,643
Property Taxes Levied for Capital Projects	678,580
Revenue in Lieu of Taxes for General Purposes	2,476
Grants and Entitlements not Restricted to Specific Programs	2,910,458
Contributions and Donations	8,550
Interest	8,187
Miscellaneous	163,060
Total General Revenues	7,233,954
Change in Net Position	1,857,384
Net Position Beginning of Year	4,106,449
Net Position End of Year	$5,963,833

See accompanying notes to the basic financial statements

Jefferson County Joint Vocational School District
Balance Sheet
Governmental Funds
June 30, 2022

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$4,279,916	$1,136,666	$198,170	$5,614,752
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	18,029	0	0	18,029
Receivables:				
Property Taxes	3,984,571	752,069	0	4,736,640
Intergovernmental	0	0	91,381	91,381
Revenue in Lieu of Taxes	2,476	0	0	2,476
Interfund	134,680	0	0	134,680
Assets Held for Resale	28,464	0	0	28,464
Prepaid Items	2,248	0	0	2,248
Materials and Supplies Inventory	0	0	14,871	14,871
Total Assets	$8,450,384	$1,888,735	$304,422	$10,643,541
Liabilities				
Accounts Payable	$37,484	$52,969	$1,363	$91,816
Accrued Wages and Benefits Payable	418,676	0	11,886	430,562
Intergovernmental Payable	59,604	0	7,681	67,285
Matured Severance Payable	18,053	0	1,841	19,894
Interfund Payable	0	0	134,680	134,680
Total Liabilities	533,817	52,969	157,451	744,237
Deferred Inflows of Resources				
Property Taxes	3,137,453	573,304	0	3,710,757
Payment in Lieu of Taxes	2,476	0	0	2,476
Unavailable Revenue	608,622	128,219	2,685	739,526
Total Deferred Inflows of Resources	3,748,551	701,523	2,685	4,452,759
Fund Balances				
Nonspendable:				
Materials and Supplies Inventory	0	0	14,871	14,871
Prepaid Items	2,248	0	0	2,248
Assets Held for Resale	28,464	0	0	28,464
Unclaimed Monies	425	0	0	425
Restricted for:				
Capital Projects	0	1,134,243	0	1,134,243
Food Service Operations	0	0	23,103	23,103
State Programs	0	0	6,339	6,339
Federal Programs	0	0	1,465	1,465
Student Activity Programs	0	0	68,006	68,006
Budget Stabilization	17,604	0	0	17,604
Other Purposes	0	0	37,154	37,154
Committed to Capital Projects	203,518	0	0	203,518
Assigned to Purchases on Order	216,944	0	0	216,944
Unassigned (Deficit)	3,698,813	0	(6,652)	3,692,161
Total Fund Balances	4,168,016	1,134,243	144,286	5,446,545
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$8,450,384	$1,888,735	$304,422	$10,643,541

See accompanying notes to the basic financial statements

Jefferson County Joint Vocational School District
Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
June 30, 2022

Total Governmental Fund Balances		$5,446,545
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		3,947,783
Other long-term assets are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the funds:		
Delinquent Property Taxes	736,841	
Intergovernmental Revenues	2,685	
Total		739,526
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the Statement of Net Position.		994,140
On the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(1,509)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
General Obligation Bonds	241,757	
Compensated Absences	326,462	
Total		(568,219)
The net OPEB asset, net pension liability, and the net OPEB liability are not due and payable in the current period; therefore, the asset, the liability and related deferred inflows/outflows are not reported in the governmental funds:		
Net OPEB Asset	356,144	
Deferred Outflows - Pension	1,111,347	
Deferred Outflows - OPEB	151,235	
Net Pension Liability	(2,847,860)	
Net OPEB Liability	(357,411)	
Deferred Inflows - Pension	(2,364,555)	
Deferred Inflows - OPEB	(643,333)	
Total		(4,594,433)
Net Position of Governmental Activities		$5,963,833

See accompanying notes to the basic financial statements

Jefferson County Joint Vocational School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	$3,285,566	$641,164	$0	$3,926,730
Intergovernmental	3,427,274	18,587	585,066	4,030,927
Interest	1,489	0	0	1,489
Tuition and Fees	40,588	0	0	40,588
Extracurricular Activities	13,451	0	32,192	45,643
Revenue in Lieu of Taxes	2,476	0	0	2,476
Contributions and Donations	0	0	8,550	8,550
Charges for Services	0	0	5,542	5,542
Miscellaneous	163,060	0	0	163,060
Total Revenues	6,933,904	659,751	631,350	8,225,005
Expenditures				
Current:				
Instruction:				
Regular	399,309	0	0	399,309
Special	239,422	0	0	239,422
Vocational	2,998,162	71,433	279,339	3,348,934
Adult/Continuing	12,638	0	0	12,638
Student Intervention Services	75,106	0	0	75,106
Support Services:	0			
Pupil	272,404	0	90,828	363,232
Instructional Staff	378,988	0	0	378,988
Board of Education	83,547	0	0	83,547
Administration	289,462	0	0	289,462
Fiscal	383,180	16,806	0	399,986
Operation and Maintenance of Plant	696,170	258,721	12,513	967,404
Central	135,068	0	7,191	142,259
Food Service Operations	0	0	199,742	199,742
Extracurricular Activities	0	0	36,951	36,951
Debt Service:				
Principal Retirement	0	0	77,187	77,187
Interest and Fiscal Charges	0	0	6,084	6,084
Total Expenditures	5,963,456	346,960	709,835	7,020,251
Excess of Revenues Over (Under) Expenditures	970,448	312,791	(78,485)	1,204,754
Other Financing Sources (Uses)				
Transfers In	0	0	85,957	85,957
Transfers Out	(85,957)	0	0	(85,957)
Total Other Financing Sources (Uses)	(85,957)	0	85,957	0
Net Change in Fund Balances	884,491	312,791	7,472	1,204,754
Fund Balances Beginning of Year	3,283,525	821,452	136,814	4,241,791
Fund Balances End of Year	$4,168,016	$1,134,243	$144,286	$5,446,545

See accompanying notes to the basic financial statements

Jefferson County Joint Vocational School District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds		$1,204,754
Amounts reported for governmental activities on the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, on the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.		
Capital Asset Additions	278,810	
Depreciation	(377,214)	
Total		(98,404)
Revenues on the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:		
Delinquent Property Taxes	214,493	
Intergovernmental Revenues	(103,541)	
Total		110,952
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Position.		
General Obligation Bonds		77,187
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the Statement of Activities.		482
Some expenses reported on the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences Payable		8,905
The internal service fund used by management to charge the costs of insurance to individual funds is not reported on the Statement of Activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among governmental activities.		(9,338)
Contractually required contributions are reported as expenditures in the governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows:		
Pension	414,912	
OPEB	11,180	
Total		426,092
Except for amounts reported as deferred outflows/inflows, changes in net pension/OPEB (asset)/liability are reported as pension/OPEB expense on the Statement of Activities:		
Pension	114,982	
OPEB	21,772	
Total		136,754
Change in Net Position of Governmental Activities		$1,857,384

See accompanying notes to the basic financial statements

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	$3,211,053	$3,192,647	$3,192,647	$0
Intergovernmental	2,945,231	3,427,274	3,427,274	0
Interest	3,000	1,489	1,489	0
Tuition and Fees	270,876	40,588	40,588	0
Extracurricular Activities	30,000	13,451	13,451	0
Revenue in Lieu of Taxes	2,476	2,476	2,476	0
Miscellaneous	4,562	163,060	163,060	0
Total Revenues	6,467,198	6,840,985	6,840,985	0
Expenditures				
Current:				
Instruction:				
Regular	440,880	381,504	381,194	310
Special	380,944	250,765	250,646	119
Vocational	3,352,502	3,156,849	3,156,573	276
Adult/Continuing	13,750	12,216	12,216	0
Student Intervention Services	116,871	73,355	73,355	0
Support Services:				
Pupil	284,242	315,503	315,503	0
Instructional Staff	385,463	373,052	373,052	0
Board of Education	94,186	82,852	82,852	0
Administration	366,626	288,529	288,529	0
Fiscal	425,599	379,502	379,502	0
Operation and Maintenance of Plant	709,841	754,576	754,576	0
Central	159,271	133,224	133,224	0
Total Expenditures	6,730,175	6,201,927	6,201,222	705
Excess of Revenues Over (Under) Expenditures	(262,977)	639,058	639,763	705
Other Financing Sources (Uses)				
Sale of Assets Held for Resale	50,100	50,100	50,100	0
Advances In	138,627	74,437	74,437	0
Advances Out	0	(134,680)	(134,680)	0
Transfers Out	(68,211)	(85,957)	(85,957)	0
Total Other Financing Sources (Uses)	120,516	(96,100)	(96,100)	0
Net Change in Fund Balance	(142,461)	542,958	543,663	705
Fund Balance Beginning of Year	3,339,297	3,339,297	3,339,297	0
Prior Year Encumbrances Appropriated	161,655	161,655	161,655	0
Fund Balance End of Year	$3,358,491	$4,043,910	$4,044,615	$705

See accompanying notes to the basic financial statements

Jefferson County Joint Vocational School District
Statement of Fund Net Position
Proprietary Fund
June 30, 2022

	Governmental Activity Internal Service Fund
Assets	
Cash and Cash Equivalents with Fiscal Agent	$1,051,651
Accounts Receivable	57,239
Total Assets	1,108,890
Liabilities	
Claims Payable	114,750
Net Position	
Unrestricted	$994,140

See accompanying notes to the basic financial statements

Jefferson County Joint Vocational School District
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2022

	Governmental Activity
	Internal Service Fund
Operating Revenues	
Charges for Services	$672,911
Other Operating Revenues	71,049
Total Operating Revenues	743,960
Operating Expenses	
Purchased Services	277,048
Claims	482,948
Total Operating Expenses	759,996
Operating Loss	(16,036)
Non-Operating Revenues	
Interest	6,698
Change in Net Position	(9,338)
Net Position Beginning of Year	1,003,478
Net Position End of Year	$994,140

See accompanying notes to the basic financial statements

Jefferson County Joint Vocational School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2022

	Governmental Activity
	Internal Service Fund
Decrease in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Interfund Services	$672,911
Cash Payments for Goods and Services	(277,048)
Cash Payments for Claims	(1,149,734)
Cash Received from Other Operating Revenue	718,708
Net Cash Used for Operating Activities	(35,163)
Cash Flows from Investing Activities	
Interest	6,698
Net Decrease in Cash and Cash Equivalents	(28,465)
Cash and Cash Equivalents Beginning of Year	1,080,116
Cash and Cash Equivalents End of Year	$1,051,651
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	($16,036)
Decrease in Accounts Receivable	(20,790)
Increase in Claims Payable	1,663
Net Cash Used for Operating Activities	($35,163)

See accompanying notes to the basic financial statements

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NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Jefferson County Joint Vocational School District is a joint vocational school district as defined by Section 3331.18 of the Ohio Revised Code and is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A vocational school exposes students to job training leading to employment upon graduation from high school. The Jefferson County Joint Vocational School District includes five members' schools throughout Jefferson County and one member school from Carroll County.

The School District operates under a nine member Board of Education and is responsible for the provision of public education to residents of the school district. The Board of Education consists of three members of the Jefferson County Educational Resource Center, two members of the Steubenville City School District and one member of Toronto City, Indian Creek Local, Buckeye Local, and Edison Local School Districts.

The Jefferson County Board of Education was the sponsoring Board of Education initiating the Jefferson County Joint Vocational School District. The initial meeting of the Jefferson County Joint Vocational School District Board was held on May 6, 1970. Three levy attempts failed in 1970, 1971, and 1972. A special levy was placed on the ballot in July of 1972, and passed.

Ground breaking occurred on January 26, 1974. In September, 1975, the Jefferson County Joint Vocational School District opened with 375 students and 15 programs. The first senior class completed their programs in June of 1977. Currently, the School District is staffed by 4 administrative employees, 21 non-certificated employees, and 29 certificated personnel who provide services to 305 students and other community members.

Reporting Entity:

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

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

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

The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council) and the Coalition of Rural and Appalachian Schools (CORAS), jointly governed organizations, the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP) and the Schools of Ohio Risk Sharing Authority (SORSA), insurance purchasing pools, and the Jefferson Health Plan Self-Insurance Plan, which is defined as a risk-sharing, claims servicing, and insurance purchasing pool. These organizations are presented in Notes 16 and 17.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

Fund Accounting

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

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

> ***General Fund* -** The General Fund accounts for and reports all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose, provided it is expended or transferred according to the general laws of Ohio.
>
> ***Permanent Improvement Fund*** - The Permanent Improvement Fund accounts for a permanent improvement levy used to finance various capital projects at the School District.

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

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

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

Measurement Focus

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

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resource measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Net Position. For proprietary funds, the Statement of Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its proprietary activity.

Basis of Accounting

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

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

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

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

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

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

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents." The School District utilizes a self-insurance third party administrator to review and pay claims. Money held by the administrator is presented as "Cash and Cash Equivalents with Fiscal Agent."

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

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

Following Ohio statues, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2022 amounted to $1,489, which includes $543 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments. The School District had no investments meeting the above criteria.

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other government or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the governmental funds represent unexpended revenues restricted for unclaimed monies and amounts required by State Statute to be set aside to create a reserve for budget stabilization. See Note 18 for additional information regarding set-asides.

Assets Held for Resale

As an integral part of the instructional laboratory experience for the Construction Trades programs, houses are constructed on the School District site for the purpose of being sold at public auction upon completion. Transactions are conducted through the School District's General Fund for reporting purposes.

Prepaid Items

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

Inventory

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

Capital Assets

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

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

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

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

Interfund Balances

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

Compensated Absences

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

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Interfund Activity

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

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

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

Fund Balance

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

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

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

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

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

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

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

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

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include local receipts restricted for student programs.

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

Operating Revenues and Expenses

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

Estimates

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

Budgetary Process

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

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

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

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLE

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

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

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

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

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

4. Advances in and advance out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

Net Change in Fund Balance

	General
GAAP Basis	$884,491
Revenue Accruals	(92,919)
Advances In	74,437
Sale of Asset Held for Resale	50,100
Expenditure Accruals	16,662
Advance Out	(134,680)
Encumbrances	(254,428)
Budget Basis	$543,663

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

At June 30, 2022, the School District's internal service fund had a balance of $1,051,651 with Jefferson Health Plan Self-Insurance Plan, a risk-sharing, claims servicing, and insurance purchasing pool (See Note 17). The balance is held by the claims administrator in a pooled account which is representative of numerous entities and therefore cannot be included in the risk disclosures reported by the School

District. Disclosures for the Jefferson Health Plan Self-Insurance Plan as a whole may be obtained from the Plan's fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Jefferson Health Plan Self-Insurance Plan, Treasurer, Jefferson County ESC, Steubenville, Ohio 43952.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2022, $2,539,693 of the School District's total bank balance of $5,329,385 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The School District's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

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

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

Investments

As of June 30, 2022, the School District's only investment was in STAR Ohio. STAR Ohio is measured at net asset value per share. The value of the investments in STAR Ohio was $534,815 and the investment has an average maturity of 35.3 days.

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

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

NOTE 6 - PROPERTY TAXES

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

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

Public utility property tax revenue received in calendar 2022 represents collections of calendar year 2021 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien December 31, 2020, were levied after April 1, 2021 and are collected in with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.
The School District receives property taxes from Jefferson, Harrison, Carroll, and Belmont Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2022, are available to finance fiscal year 2022 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

The amount available as an advance at June 30, 2022, was $238,496 in the General Fund and $50,546 in the Permanent Improvement Capital Projects Fund. The amount available as an advance at June 30, 2021, was $145,577 in the General Fund and $27,870 in the Permanent Improvement Capital Projects Fund.

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

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

	2021 Second Half Collections		2022 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential And Other Real Estate	$1,198,313,570	72.36%	$1,277,435,700	73.58%
Public Utility Personal	457,672,520	27.64%	458,605,890	26.42%
Total Assessed Values	$1,655,986,090	100.00%	$1,736,041,590	100.00%
Tax Rate per $1,000 of assessed valuation	$2.50		$2.50	

NOTE 7 - RECEIVABLES

Receivables at June 20, 2022, consisted primarily of property taxes, payments in lieu of taxes, intergovernmental receivables arising from entitlements and shared revenues, accrued interest on investments, and accounts (billings for service).

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

Governmental Activities:	Amount
Perkins Grant	$24,776
Governors Emergency Education Relief Grant	66,605
Total Intergovernmental Receivable	$91,381

Revenue In Lieu of Taxes

Business Development: On November 17, 2015, the Board of Education of Jefferson County Joint Vocational School District approved a Tax Increment Financing Agreement (TIF) with the City of Steubenville. The purpose of the TIF is economic development and infrastructure improvements benefitting the public. The TIF agreement is for a thirty year period effective December 3, 2015. During fiscal year 2022, a payment in the amount of $2,476 was received. As of June 30, 2022, a receivable for $2,476 has been recorded which represents the payment anticipated for fiscal year 2023.

NOTE 8 - INTERNAL BALANCES AND TRANSFERS

Interfund Balances

The School District had the following interfund balances at June 30, 2022:

	Interfund Receivable
Interfund Payable	General Fund
Other Nonmajor Funds	$134,680

The General Fund made to loans to the Perkins Grant, and the Governor's Emergency Education Relief, Special Revenue Funds to support the program until grant monies are received to operate the programs.

Transfers

The School District made the following transfers during the fiscal year:

	Transfers Out
Transfers In	General Fund
Other Nonmajor Funds	$85,957

Transfers from the General Fund were used to provide resources to the Debt Service Fund for scheduled debt service payments. Additionally, General Fund transfers were also used to support honor club student activity programs.

NOTE 9 - CAPITAL ASSETS

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

	Balance 6/30/21	Additions	Deletions	Balance 6/30/22
Nondepreciable Capital Assets:				
Land	$87,522	$0	$0	$87,522
Depreciable Capital Assets:				
Land Improvements	196,517	34,500	0	231,017
Buildings and Improvements	8,629,474	31,917	0	8,661,391
Furniture and Equipment	1,732,515	212,393	(20,903)	1,924,005
Vehicles	71,883	0	(6,000)	65,883
Total Depreciable Capital Assets	10,630,389	278,810	(26,903)	10,882,296
Accumulated Depreciation:				
Land Improvements	(130,746)	(17,281)	0	(148,027)
Buildings and Improvements	(5,266,479)	(245,067)	0	(5,511,546)
Furniture and Equipment	(1,222,543)	(112,209)	20,903	(1,313,849)
Vehicles	(51,956)	(2,657)	6,000	(48,613)
Total Accumulated Depreciation	(6,671,724)	(377,214)	26,903	(7,022,035)
Total Depreciable Capital Assets, Net	3,958,665	(98,404)	0	3,860,261
Governmental Capital Assets, Net	$4,046,187	($98,404)	$0	$3,947,783

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Vocational	$333,199
Support Services:	
Administration	9,803
Fiscal	2,451
Operation of Maintenance and Plant	26,860
Food Service Operations	4,901
Total Depreciation Expense	$377,214

NOTE 10 - RISK MANAGEMENT

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2022, the School District contracted with Schools of Ohio Risk Sharing Authority (SORSA), an insurance purchasing pool for property, general liability, and auto insurance. See Note 17 for further details. Coverages provided are as follows:

Property - Including Inland Marine and Miscellaneous Equipment:	
Building and Contents-replacement cost (no deductible)	$26,246,701
Crime Cover:	
Employee Theft	1,000,000
Forgery	1,000,000
Computer Fraud	1,000,000
General Liability:	
Each Occurance	15,000,000
Aggregated Limit	17,000,000
Automobile Liability:	
Bodily Injury and Property Damage- Per Occurance	15,000,000
Medical Payments - Per Occurance	10,000
Medical Payments - Aggregate	25,000
Uninsured Motorist - Aggregate	1,000,000

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

Worker's Compensation

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

Employee Benefits

Medical/surgical, prescription drug, life, and dental insurance are offered to employees through a self-insurance internal service fund. The School District is a member of the Jefferson Health Plan Self-Insurance Plan, a risk-sharing, claims servicing, and insurance purchasing pool, consisting of over one hundred members, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. The medical/surgical/prescription drug coverage is based on a usual, customary, and reasonable claim plan. The Board's share of the premiums for this coverage is $1,695.68 for individual coverage per month and $3,382.97 for family coverage per month which represents 97 percent of the total premium for the certified and classified staff. The premium is paid from the fund that pays the salary of the covered employee. Premiums for the dental coverage are $160.30 per month for family coverage and $72.36 per month for single coverage for all staff. The Board's share of dental coverage premiums is 97 percent for the certified and classified staff.

The claims liability of $114,750 reported in the Internal Service Fund at June 30, 2022, is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported.

The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

Program	Beginning Balance	Current Year Claims		Claims Payments		Ending Balance
Self Insurance - Health						
2021	$105,335	$809,153		$801,401		$113,087
2022	113,087	503,738	(1)	502,075	(2)	114,750
(1) Claims Expense		$482,948				
+ Stop Loss Receivable		20,790				
Current Year Claims		$503,738				
(2) Cash Payments for Claims				$1,149,734		
- Stop Loss Received for 2022 Claims				(647,659)		
Claims Payments				$502,075		

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

The School District's contractually required contribution to SERS was $101,864 for fiscal year 2022, of which the full amount has been contributed.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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

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

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

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

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

The School District's contractually required contribution to STRS was $313,048 for fiscal year 2022. Of this amount $42,937 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.01865000%	0.01689149%	
Prior Measurement Date	0.01822640%	0.01693201%	
Change in Proportionate Share	0.00042360%	-0.00004052%	
Proportionate Share of the Net Pension Liability	$688,131	$2,159,729	$2,847,860
Pension Expense	($26,319)	($88,663)	($114,982)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$66	$66,726	$66,792
Changes of assumptions	14,490	599,147	613,637
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	16,006	0	16,006
School District contributions subsequent to the measurement date	101,864	313,048	414,912
Total Deferred Outflows of Resources	$132,426	$978,921	$1,111,347
Deferred Inflows of Resources			
Differences between expected and actual experience	$17,846	$13,537	$31,383
Net difference between projected and actual earnings on pension plan investments	354,408	1,861,273	2,215,681
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	1,493	115,998	117,491
Total Deferred Inflows of Resources	$373,747	$1,990,808	$2,364,555

$414,912 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	($78,690)	($349,160)	($427,850)
2024	(71,449)	(293,965)	(365,414)
2025	(84,266)	(308,802)	(393,068)
2026	(108,780)	(373,008)	(481,788)
Total	($343,185)	($1,324,935)	($1,668,120)

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$1,144,881	$688,131	$302,934

Actuarial Assumptions – STRS

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

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

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School's proportionate share of the net pension liability	$4,044,364	$2,159,729	$567,216

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

NOTE 12 – DEFINED BENEFIT OPEB PLANS

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

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2022, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the School District's surcharge obligation was $11,180.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was $11,180 for fiscal year 2022. Of this amount $11,180 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.01888490%	0.01689149%	
Prior Measurement Date	0.01864410%	0.01693201%	
Change in Proportionate Share	0.00024080%	-0.00004052%	
Proportionate Share of the:			
Net OPEB Liability	$357,411	$0	$357,411
Net OPEB (Asset)	$0	($356,144)	($356,144)
OPEB Expense	$8,530	($30,302)	($21,772)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$3,811	$12,681	$16,492
Changes of assumptions	56,068	22,749	78,817
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	44,746	0	44,746
School District contributions subsequent to the measurement date	11,180	0	11,180
Total Deferred Outflows of Resources	$115,805	$35,430	$151,235
Deferred Inflows of Resources			
Differences between expected and actual experience	$178,008	$65,252	$243,260
Changes of assumptions	48,945	212,465	261,410
Net difference between projected and actual earnings on OPEB plan investments	7,765	98,717	106,482
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	20,119	12,062	32,181
Total Deferred Inflows of Resources	$254,837	$388,496	$643,333

$11,180 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	($27,901)	($102,707)	($130,608)
2024	(27,953)	(100,234)	(128,187)
2025	(37,675)	(94,597)	(132,272)
2026	(35,514)	(41,691)	(77,205)
2027	(16,374)	(14,162)	(30,536)
Thereafter	(4,795)	325	(4,470)
Total	($150,212)	($353,066)	($503,278)

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

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

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

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

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
School District's proportionate share of the net OPEB liability	$442,877	$357,411	$289,137

	1% Decrease (6.00 % decreasing to 3.75%)	Current Trend Rate (7.00 % decreasing to 4.75%)	1% Increase (8.00 % decreasing to 5.75%)
School District's proportionate share of the net OPEB liability	$275,178	$357,411	$467,252

Actuarial Assumptions – STRS

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

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

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	($300,530)	($356,144)	($402,600)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	($400,718)	($356,144)	($301,023)

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

NOTE 13 - OTHER EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees who work 260 days per year earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and administrators who work less than 260 days do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 240 days. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 50 days.

Other Insurance Benefits

The Board pays 100 percent of the premiums for life and vision coverage. Life insurance is provided through MetLife. Coverage is in the amount of $45,000 for all certified teachers and classified employees at a total monthly premium of $6.53 and coverage of $50,000 for administrators at a total monthly premium of $7.25. The School District provides vision insurance through Vision Service Plan at a cost of $12.11 for single coverage and $27.01 for family coverage per month.

NOTE 14 - LONG - TERM OBLIGATIONS

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

	Outstanding 6/30/21	Additions	Deductions	Outstanding 6/30/22	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds					
2010 Energy Conservation Qualified School Construction Bonds:					
Serial Bonds, $1,078,690 @ 2.170%	$318,944	$0	$77,187	$241,757	$78,862
Compensated Absences	335,367	63,576	72,481	326,462	31,927
Other Long-Tem Obligations:					
Net Pension Liability					
SERS	1,205,533	0	517,402	688,131	0
STRS	4,096,945	0	1,937,216	2,159,729	0
Total Net Pension Liability	5,302,478	0	2,454,618	2,847,860	0
SERS Net OPEB Liability	405,197	0	47,786	357,411	0
Total Governmental Activities	$6,361,986	$63,576	$2,652,072	$3,773,490	$110,789

2010 Energy Conservation Qualified School Construction Bonds

On March 17, 2010, Jefferson County Joint Vocational School District issued $1,078,690 of general obligation bonds, in accordance with the American Recovery and Reinvestment Act (ARRA) of 2009 and House Bill 264. The bonds were issued to finance an energy conservation project. The bonds were issued at a 2.170 percent interest rate, for a period of fifteen years with a final maturity at September 15, 2024.

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

Principal and Interest requirements to retire the remaining outstanding qualified school construction bonds for the 2010 Energy Conservation Bonds are as follows:

Fiscal Year Ending June 30	Serial Bonds Principal	Interest	Total
2023	$78,862	$4,390	$83,252
2024	80,573	2,660	83,233
2025	82,322	892	83,214
Total	$241,757	$7,942	$249,699

The School District's voted legal debt margin was $156,001,986, with an unvoted debt margin of $1,736,042, at June 30, 2022.

Compensated absences

Compensated absences will be paid from the General Fund.

Net Pension/OPEB Liability

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

NOTE 15 - COMMITMENTS

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

Major Funds:	
General	$254,428
Permanent Improvement	107,900
Other Non-major Governmental Funds	59,992
Total	$422,320

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

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

The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council). The Council was created as a separate regional council of governments pursuant to State Statutes. The Council operates under the direction of a Board comprised of a representative from each participating school district. The Board exercised total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the Board. The Council provides information technology and internet access to member districts, as well as cooperative purchasing programs. During fiscal year 2022, the total amount paid to OME-RESA from the School District was $31,432 for technology services, and financial accounting services and educational management information. The Jefferson County Educational Service Center serves as the fiscal agent. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency, Treasurer, at 2023 Sunset Blvd., Steubenville, Ohio 43952.

Coalition of Rural and Appalachian Schools (CORAS)

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

NOTE 17 - PUBLIC ENTITY POOLS

Insurance Purchasing Pools

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

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program. The School District's enrollment fee of $270 for policy year 2022.

Schools of Ohio Risk Sharing Authority (SORSA)

The School District participates in the Schools of Ohio Risk Sharing Authority (SORSA), a protected self-insurance purchasing pool under the authority of Ohio Revised Code 2744. One hundred twenty one school districts, educational service centers, and joint vocational school districts participate in the SORSA. SORSA is governed by a board of trustees elected by members. Member school districts agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by SORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance, and public official's errors and omissions liability insurance.

Risk Sharing, Claims Servicing, and Insurance Purchasing Pool

The Jefferson Health Plan Self-Insurance Plan

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

NOTE 18 - SET-ASIDE CALCULATIONS AND FUND RESTRICTIONS

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

Effective April 10, 2001, through Amended Substitute Senate Bill 345, the requirement for school districts to establish and appropriate money for the budget stabilization was deleted from law. A school district may still establish reserve balance accounts consistent with Section 5705.13, Revised Code, if it so chooses; however, the requirement is no longer mandatory. In addition, any money on hand in a school district's budget reserve set-aside as of April 10, 2001, may, at the discretion of the board, be returned to the School District's General Fund or may be left in the account and used by the board to offset any budget deficit the district may experience in future fiscal years. The bill placed special conditions on any Bureau of Workers' Compensation monies remaining in the budget reserve. During fiscal year 2004, the Board of Education passed a resolution to maintain only the refunds from the Bureau of Workers Compensation in the budget reserve pursuant to State Statue.

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

	Capital Improvements	Budget Stabilization
Set-aside Restricted Balance as of June 30, 2021	$0	$17,604
Current Year Set-aside Requirement	88,821	0
Current Year Offsets	(637,075)	0
Totals	($548,254)	$17,604
Balance Carried Forward to Fiscal Year 2023	$0	$17,604
Set-aside Restricted Balance as of June 30, 2022	$0	$17,604

The School District had offsets during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside which may not be carried forward to future fiscal years. The School District also had prior fiscal year capital expenditures from note and bond proceeds that may be carried forward to offset future set-aside requirements, if needed. The total restricted balance for the set-asides at the end of the fiscal year was $17,604.

NOTE 19 - CONTINGENCIES

Grants

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

School Foundation

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

Litigation

The School District is currently not a party to any pending litigation.

Oil and Gas Lease

Previously, the Board of Education entered into a "Paid-Up" Oil and Gas Lease with Hess Ohio Resources, LLC. On September 20, 2016, The Board of Education approved an addendum to the oil and gas lease agreement with Ascent Resources - Utica, LLC, previously, Hess Ohio Resources. The oil and gas lease was amended to extend the lease period from October 12, 2011, to October 11, 2019, and the School District has an option to extend the primary term of this lease for up to two additional successive terms of one year each. On October 16, 2019, the School District received $83,370 which represents the first extension payment. As of the date of the financial statements, the School District has not received a second extension payment.

The School District has a total of 88.691 acres subject to the lease provisions which call for payments or royalties to the School District (Lessor), in addition to the bonus. The royalties will be 18.75 percent of the gross price paid to Ascent Resources - Utica, LLC (Lessee) for such gas oil, and other hydrocarbons so produced and marketed from the leased premises. The total carrying value of the land leased is $87,522. As of the date of the financial statements, the value of any potential royalties cannot be determined, and the School District has not received any financial compensation beyond the bonus.

NOTE 20 - ACCOUNTABILITY

At June 30, 2022, the following nonmajor special revenue funds had deficit fund balances:

Governor's Emergency Education Stablilization Fund	$2,686
Perkins Grant	3,966
Total Deficit Fund Balances	$6,652

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

NOTE 21 - COVID-19

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

Required

Supplementary

Information

Jefferson County Joint Vocational School District

Required Supplementary Information

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

School Employees Retirement System of Ohio

*Last Eight Nine Fiscal Years (1)**

	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.01865000%	0.01822640%	0.01833500%
School District's Proportionate Share of the Net Pension Liability	$688,131	$1,205,533	$1,097,015
School District's Covered Payroll	$643,750	$638,979	$641,200
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	106.89%	188.67%	171.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.86%	68.55%	70.85%

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

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
0.01992380%	0.01565330%	0.01682840%	0.01668270%	0.01718500%	0.01718500%
$1,141,073	$935,249	$1,231,684	$951,931	$869,723	$1,021,937
$591,319	$503,786	$523,329	$504,173	$500,996	$476,847
192.97%	185.64%	235.36%	188.81%	173.60%	214.31%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

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

	2022	2021	2020	2019
School District's Proportion of the Net Pension Liability	0.01689149%	0.01693201%	0.01752372%	0.01766606%
School District's Proportionate Share of the Net Pension Liability	$2,159,729	$4,096,945	$3,875,266	$3,884,370
School District's Covered Payroll	$2,093,971	$2,048,457	$2,063,450	$2,011,521
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	103.14%	200.00%	187.81%	193.11%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.80%	75.50%	77.40%	77.30%

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

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

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
0.01781101%	0.18349290%	0.01829970%	0.01863591%	0.01863591%
$4,231,044	$6,142,060	$5,057,503	$4,532,899	$5,399,559
$1,960,729	$1,927,607	$1,940,271	$1,900,685	$1,893,638
215.79%	318.64%	260.66%	238.49%	285.14%
75.30%	66.80%	72.10%	74.70%	69.30%

Jefferson County Joint Vocational School District

Required Supplementary Information

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

School Employees Retirement System of Ohio

*Last Six Fiscal Years (1) **

	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.01888490%	0.01864410%	0.01852610%	0.01968220%	0.01565390%	0.01675290%
School District's Proportionate Share of the Net OPEB Liability	$357,411	$405,197	$465,893	$546,038	$420,110	$477,520
School District's Covered Payroll	$643,750	$638,979	$641,200	$591,319	$503,786	$523,329
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	55.52%	63.41%	72.66%	92.34%	83.39%	91.25%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

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

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

See accompanying notes to the required supplementary information.

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

	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB (Asset) Liability	0.01689149%	0.01693201%	0.01752372%	0.01766606%	0.01781101%	0.01834929%
School District's Proportionate Share of the Net OPEB (Asset) Liability	($356,144)	($297,580)	($290,234)	($283,875)	$694,919	$981,325
School District's Covered Payroll	$2,093,971	$2,048,457	$2,063,450	$2,011,521	$1,960,729	$1,927,607
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-17.01%	-14.53%	-14.07%	-14.11%	35.44%	50.91%
Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset) Liability	174.70%	182.10%	174.70%	176.00%	47.10%	37.30%

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

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

See accompanying notes to the required supplementary information.

Jefferson County Joint Vocational School District

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

	2022	2021	2020	2019
Net Pension Liability				
Contractually Required Contribution	$101,864	$90,125	$89,457	$86,562
Contributions in Relation to the Contractually Required Contribution	(101,864)	(90,125)	(89,457)	(86,562)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$727,600	$643,750	$638,979	$641,200
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.50%
Net OPEB Liability				
Contractually Required Contribution (2)	$11,180	$10,536	$10,703	$13,217
Contributions in Relation to the Contractually Required Contribution	(11,180)	(10,536)	(10,703)	(13,217)
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	1.54%	1.64%	1.68%	2.06%
Total Contributions as a Percentage of Covered Payroll (2)	15.54%	15.64%	15.68%	15.56%

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

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014	2013
$79,828	$70,530	$73,266	$66,450	$69,438	$65,996
(79,828)	(70,530)	(73,266)	(66,450)	(69,438)	(65,996)
$0	$0	$0	$0	$0	$0
$591,319	$503,786	$523,329	$504,173	$500,996	$476,847
13.50%	14.00%	14.00%	13.18%	13.86%	13.84%
$11,234	$7,465	$7,186	$11,479	$7,957	$7,591
(11,234)	(7,465)	(7,186)	(11,479)	(7,957)	(7,591)
$0	$0	$0	$0	$0	$0
1.90%	1.48%	1.37%	2.28%	1.59%	1.59%
15.40%	15.48%	15.37%	15.46%	15.45%	15.43%

Jefferson County Joint Vocational School District
Required Supplementary Information
Schedule of School District Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2022	2021	2020	2019
Net Pension Liability				
Contractually Required Contribution	$313,048	$293,156	$286,784	$288,883
Contributions in Relation to the Contractually Required Contribution	(313,048)	(293,156)	(286,784)	(288,883)
Contribution Deficiency (Excess)	$0	$0	$0	$0
School District Covered Payroll (1)	$2,236,057	$2,093,971	$2,048,457	$2,063,450
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution	$0	$0	$0	$0
Contributions in Relation to the Contractually Required Contribution	0	0	0	0
Contribution Deficiency (Excess)	$0	$0	$0	$0
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

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

See accompanying notes to the required supplementary information.

	2018	2017	2016	2015	2014	2013
	$281,613	$274,502	$269,865	$271,638	$247,089	$246,173
	(281,613)	(274,502)	(269,865)	(271,638)	(247,089)	(246,173)
	$0	$0	$0	$0	$0	$0
	$2,011,521	$1,960,729	$1,927,607	$1,940,271	$1,900,685	$1,893,638
	14.00%	14.00%	14.00%	14.00%	13.00%	13.00%
	$0	$0	$0	$0	$19,007	$18,936
	0	0	0	0	(19,007)	(18,936)
	$0	$0	$0	$0	$0	$0
	0.00%	0.00%	0.00%	0.00%	1.00%	1.00%
	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Net Pension Liability

Changes in Assumptions – SERS

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

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

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

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

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

Changes in Assumptions - STRS

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

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

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

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

Net OPEB Liability

Changes in Assumptions – SERS

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

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

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

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

Changes in Assumptions – STRS

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

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

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

Changes in Benefit Terms – STRS OPEB

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

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

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

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

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KEITH FABER

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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*

Jefferson County Joint Vocational School District
Jefferson County
1509 County Highway 22A
Bloomingdale, Ohio 43910

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson County Joint Vocational School District, Jefferson County, (the District) as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 14, 2024. We noted the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the District and the restatement of the District's General Fund July 1, 2022 beginning budget basis balance.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider 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 District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Keith Faber
Keith Faber
Auditor of State
Columbus, Ohio

May 14, 2024

OHIO AUDITOR OF STATE
KEITH FABER

JEFFERSON COUNTY JOINT VOCATIONAL SCHOOL DISTRICT

JEFFERSON 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 6/13/2024