



OHIO AUDITOR OF STATE  
**KEITH FABER**





**SHADYSIDE LOCAL SCHOOL DISTRICT  
BELMONT COUNTY  
JUNE 30, 2023**

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**SHADYSIDE LOCAL SCHOOL DISTRICT  
BELMONT COUNTY  
JUNE 30, 2023**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Shadyside Local School District  
Belmont County  
3890 Lincoln Avenue  
Shadyside, Ohio 43947

To the Board of Education:

### Report on the Audit of the Financial Statements

#### ***Opinion***

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Shadyside Local School District, Belmont County, Ohio as of June 30, 2023, and the respective changes in financial position 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 School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

**Supplementary information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The Schedule of Expenditures of Federal Awards (the Schedule) as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2024, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

May 9, 2024

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**Shadyside Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

The discussion and analysis of the Shadyside Local 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 \$1,617,079.
- General revenues accounted for \$9,428,799 in revenue or approximately 84 percent of all revenues. Program specific revenues in the form of charges for services and sales, and operating grants and contributions accounted for \$1,845,985 or approximately 16 percent of total revenues of \$11,274,784.
- Total assets of governmental activities increased \$1,415,123, primarily due to increases in capital assets, net of accumulated depreciation, and cash and cash equivalents. Total liabilities of governmental activities increased \$2,727,959, primarily due to increases in the net pension liability.
- The School District had \$9,657,705 in expenses related to governmental activities; only \$1,845,985 of these expenses were offset by program specific charges for services, and operating grants and contributions. General revenues of \$9,428,799 were adequate to provide for these programs.
- Total governmental funds had \$11,333,366 in revenues and \$10,402,014 in expenditures. Overall, the net change in total governmental fund balances, including other financing sources and (uses), was an increase of \$931,352.

**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 Shadyside Local School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and 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.

**Shadyside Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

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

*Statement of Net Position and Statement of Activities*

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

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

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

***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 only major governmental fund is the General Fund.

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

**Shadyside Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

**The School District as a Whole**

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

**Table 1**  
Net Position

	<b>2023</b>	<b>Restated 2022</b>	<b>Change</b>
<b>Assets</b>			
Current and Other Assets	\$14,901,620	\$14,341,846	\$559,774
Net OPEB Asset	675,580	545,128	130,452
Capital Assets	4,778,909	4,053,922	724,987
<i>Total Assets</i>	<u>20,356,109</u>	<u>18,940,896</u>	<u>1,415,213</u>
<b>Deferred Outflows of Resources</b>			
Pension	1,843,011	1,825,466	17,545
OPEB	221,598	262,907	(41,309)
<i>Total Deferred Outflows of Resources</i>	<u>2,064,609</u>	<u>2,088,373</u>	<u>(23,764)</u>
<b>Liabilities</b>			
Current and Other Liabilities	1,136,261	1,333,102	(196,841)
Long-Term Liabilities:			
Due Within One Year	50,091	66,282	(16,191)
Due in More Than One Year:			
Net Pension Liability	7,500,596	4,441,822	3,058,774
Net OPEB Liability	449,474	596,640	(147,166)
Other Amounts	472,294	442,911	29,383
<i>Total Liabilities</i>	<u>9,608,716</u>	<u>6,880,757</u>	<u>2,727,959</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	3,194,194	3,310,349	(116,155)
Pension	668,450	3,582,857	(2,914,407)
OPEB	1,062,375	985,402	76,973
<i>Total Deferred Inflows of Resources</i>	<u>4,925,019</u>	<u>7,878,608</u>	<u>(2,953,589)</u>
<b>Net Position</b>			
Net Investment in Capital Assets	4,773,603	4,044,512	729,091
Restricted	1,751,108	964,899	786,209
Unrestricted	1,362,272	1,260,493	101,779
<i>Total Net Position</i>	<u>\$7,886,983</u>	<u>\$6,269,904</u>	<u>\$1,617,079</u>

**Shadyside Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

The net pension liability (NPL) is the largest 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 \$1,415,213. Current and other assets increased \$559,774 primarily due to increases in equity in pooled cash and cash equivalents. During 2023, the School District received \$1,000,000 from PTTGC America, LLC as a contribution towards a possible new facility project funded through the Ohio Facilities Construction Commission (OFCC). The contribution is intended to fund a discrete local portion of the project and secure a 75 percent State match on the potential project. The increase in cash and cash equivalents was partially offset by a decrease in property taxes receivable related to a combination of decreases in assessed valuation and decreases in delinquencies yet to be collected. The School District also reflects an OPEB asset in the amount of \$675,580, which represents a \$130,452 increase from the prior year. Capital assets increased in the amount of \$724,987, due to capital asset additions, including a stadium lighting project and new visitor bleachers at the football field.

Total liabilities increased \$2,727,959. Current and other liabilities decreased \$196,841, primarily due to decreases in accrued wages and benefits payable and contracts payable, which were partially offset by an increase in unearned revenue. The decrease in accrued wages and benefits payable is the result of the timing of the final pay date of the year, which occurred on June 30, 2023. Contracts payable decreased as the significant construction projects ongoing at the end of fiscal year 2022 were completed and the assets were placed in service during fiscal year 2023. The increase in unearned revenue is due to an advanced funded K-12 School Safety Grant through the OFCC, for which eligible program costs have not yet been incurred. Long-term liabilities increased \$2,924,800, primarily due to increases in the net pension liability, as poor investment returns for the pension plans have reduced the improvements in this liability that were reported in fiscal year 2022. Poor investments returns for the pension plans have reduced the improvements in the liability that were reported in fiscal year 2022.

The School District's deferred inflows of resources decreased \$2,953,589, 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 fiscal year, the following table gives the readers further details regarding the results of activities for 2023 and 2022, which has been restated. See Note 3 for more information.

**Shadyside Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

**Table 2**  
 Changes in Net Position

	<b>2023</b>	<b>Restated 2022</b>	<b>Change</b>
<b>Revenues</b>			
Program Revenues:			
Charges for Services and Sales	\$441,336	\$1,022,316	(\$580,980)
Operating Grants and Contributions	1,404,649	1,603,562	(198,913)
<i>Total Program Revenues</i>	<u>1,845,985</u>	<u>2,625,878</u>	<u>(779,893)</u>
General Revenues:			
Property Taxes	3,426,102	3,827,805	(401,703)
Grants and Entitlements not Restricted to Specific Programs	4,610,893	4,131,204	479,689
Others	1,391,804	32,493	1,359,311
<i>Total General Revenues</i>	<u>9,428,799</u>	<u>7,991,502</u>	<u>1,437,297</u>
<i>Total Revenues</i>	<u>11,274,784</u>	<u>10,617,380</u>	<u>657,404</u>
<b>Program Expenses</b>			
Instruction:			
Regular	4,252,051	3,793,056	458,995
Special	1,384,132	999,192	384,940
Vocational	1,181	0	1,181
Support Services:			
Pupils	302,687	266,791	35,896
Instructional Staff	115,445	118,591	(3,146)
Board of Education	76,628	168,227	(91,599)
Administration	1,046,609	840,249	206,360
Fiscal	367,420	340,293	27,127
Operation and Maintenance of Plant	996,815	850,510	146,305
Pupil Transportation	459,031	370,369	88,662
Food Service Operation	175,219	148,068	27,151
Extracurricular Activities	480,251	228,332	251,919
Interest and Fiscal Charges	236	23,029	(22,793)
<i>Total Expenses</i>	<u>9,657,705</u>	<u>8,146,707</u>	<u>1,510,998</u>
Change in Net Position	1,617,079	2,470,673	(853,594)
<i>Net Position Beginning of Year</i>	<u>6,269,904</u>	<u>3,799,231</u>	<u>2,470,673</u>
<i>Net Position End of Year</i>	<u>\$7,886,983</u>	<u>\$6,269,904</u>	<u>\$1,617,079</u>

**Shadyside Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

In fiscal year 2023, approximately 30 percent of the School District's revenues were from property taxes, and approximately 41 percent were from unrestricted grants and entitlements. The increase 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 also resulted in reductions in charges for services related to tuition and fees, as open enrollment no longer flows through the residency district and is instead directly paid by the State. Charges for services and sales program revenue decreased \$580,980. Operating grants and contributions program revenue decreased \$198,913, as the School District drew a large portion of its allocation of Elementary and Secondary School Emergency Relief (ESSER) funding during fiscal year 2022.

Instructional programs comprise approximately 58 percent of total governmental program expenses. Of the instructional expenses, approximately 75 percent is for regular instruction and approximately 25 percent is for special instruction and vocational instruction. Overall program expenses increased \$1,510,998, most noticeably in regular and special instruction. The increase in program expenses is primarily due to an increase in pension expense.

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

**Table 3**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Program Expenses</b>				
Instruction:				
Regular	\$4,252,051	\$3,793,056	\$3,638,875	\$2,666,934
Special	1,384,132	999,192	749,461	406,102
Vocational	1,181	0	(5,077)	(7,821)
Support Services:				
Pupils	302,687	266,791	302,687	266,791
Instructional Staff	115,445	118,591	109,715	113,137
Board of Education	76,628	168,227	76,628	166,465
Administration	1,046,609	840,249	1,046,509	839,442
Fiscal	367,420	340,293	367,095	339,723
Operation and Maintenance of Plant	996,815	850,510	842,488	563,949
Pupil Transportation	459,031	370,369	409,321	174,571
Food Service Operations	175,219	148,068	21,495	(47,421)
Extracurricular Activities	480,251	228,332	252,287	15,928
Interest and Fiscal Charges	236	23,029	236	23,029
<b>Total Expenses</b>	<b>\$9,657,705</b>	<b>\$8,146,707</b>	<b>\$7,811,720</b>	<b>\$5,520,829</b>

The dependence upon tax revenues and state subsidies for governmental activities is apparent as approximately 81 percent of expenses are supported through taxes and other general revenues.

**Shadyside Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

**The School District Funds**

Information about the School District's major funds starts on page 15. These funds are accounted for using the modified accrual basis of accounting. The School District has one major fund, the General Fund. The General Fund had \$8,684,726 in revenues and \$8,360,480 in expenditures. Overall, including other financing uses, the General Fund's balance increased \$280,444 primarily due to decreases in transfers out. In the prior year, the General Fund transferred \$437,705 to the Debt Service Fund to a financed purchase obligation related to an energy conservation project.

***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 year 2023, the School District amended its General Fund estimated revenues, and the budgetary statement reflects both the original and final budgeted amounts. Actual revenues received were not significantly different than final estimates. There were differences between budgeted and actual expenditures, as spending was less than budgeted in most categories, most notably for regular instruction, and support services – operation and maintenance of plant.

**Capital Assets and Debt Administration**

***Capital Assets***

At June 30, 2023, the School District had \$4,778,909 invested in land, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles, intangible right to use lease assets, and intangible right to use subscription assets. See Note 8 for more detailed information of the School District's capital assets.

***Debt***

At June 30, 2023, the School District had \$5,306 outstanding in leases, with \$4,229 due within one year. See Note 13 for more information regarding the School District's debt and other long-term obligations, including compensated absences, and the net pension/OPEB liabilities.

**Economic Factors**

The Shadyside Local School District's current financial forecast reflects positive balances through fiscal year 2027. The School District was released from Fiscal Caution in November of 2017 and the Board of Education and Administration continues to closely monitor the School District's finances. The School District receives revenue from the State Foundation monies which includes Capacity Aid. The Capacity Aid portion of the State Foundation Payment consists of additional funding due to the School District's income being generated for one mill of property taxes being below the State median. By monitoring both tax collections and expenditures, the School District did not seek renewal of the Emergency Levy. The School District continues to receive a grant from Belmont County Board of Developmental Disabilities, through the East Central Ohio Educational Service Center in the amount of \$100,000 annually. The School District experienced a loss of enrollment for fiscal year 2021, and open enrollment also declined. The School District purchased Chromebooks for every student to increase learning and enable online learning, if necessary due to the COVID-19 pandemic. The School District continued to lose enrollment for fiscal year 2023. The School District has also employed an Architect for the Building Project. The School District completed a Lighting Project, and new visitor Bleachers as well as adding an attendance incentive and vision coverage as additional expenditures for fiscal year 2023. The School District will continue to monitor enrollment which has created a reduction of a position. The School District continues to make building and infrastructure improvements to maintain its buildings.

**Shadyside Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

The School District has realized additional savings due to a turnover of staff and the hiring of new teachers at lower salaries. The School District has also realized cost savings through its continued participation in the Stark County Schools' Council of Government Health Benefits Program. By continuing to monitor both revenues and expenditures, the School District has returned to a stable financial environment.

**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 Melissa Visnic, Treasurer/CFO at Shadyside Local School District, 3890 Lincoln Avenue, Shadyside, Ohio 43947.



**Shadyside Local School District**

*Statement of Net Position*

*June 30, 2023*

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$10,903,018
Intergovernmental Receivable	277,927
Prepaid Items	61,059
Materials and Supplies Inventory	2,190
Property Taxes Receivable	3,657,426
Net OPEB Asset	675,580
Non-Depreciable Capital Assets	168,547
Depreciable Capital Assets, Net	<u>4,610,362</u>
<i>Total Assets</i>	<u>20,356,109</u>
<b>Deferred Outflows of Resources</b>	
Pension	1,843,011
OPEB	<u>221,598</u>
<i>Total Deferred Outflows of Resources</i>	<u>2,064,609</u>
<b>Liabilities</b>	
Accounts Payable	47,792
Accrued Wages and Benefits Payable	552,597
Intergovernmental Payable	302,984
Matured Severance Payable	65,008
Unearned Revenue	167,880
Long-Term Liabilities:	
Due Within One Year	50,091
Due In More Than One Year:	
Net Pension Liability	7,500,596
Net OPEB Liability	449,474
Other Amounts	<u>472,294</u>
<i>Total Liabilities</i>	<u>9,608,716</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes	3,194,194
Pension	668,450
OPEB	<u>1,062,375</u>
<i>Total Deferred Inflows of Resources</i>	<u>4,925,019</u>
<b>Net Position</b>	
Net Investment in Capital Assets	4,773,603
Restricted For:	
Capital Projects	1,469,589
Federal Programs	1,282
Food Service	21,709
State Programs	15,168
Student Activity Programs	67,376
OPEB Plans	142,318
Other Purposes	33,666
Unrestricted	<u>1,362,272</u>
<i>Total Net Position</i>	<u><u>\$7,886,983</u></u>

See accompanying notes to the basic financial statements

**Shadyside Local School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2023

	Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Instruction:				
Regular	\$4,252,051	\$170,950	\$442,226	(\$3,638,875)
Special	1,384,132	0	634,671	(749,461)
Vocational	1,181	0	6,258	5,077
Support Services:				
Pupils	302,687	0	0	(302,687)
Instructional Staff	115,445	0	5,730	(109,715)
Board of Education	76,628	0	0	(76,628)
Administration	1,046,609	0	100	(1,046,509)
Fiscal	367,420	0	325	(367,095)
Operation and Maintenance of Plant	996,815	0	154,327	(842,488)
Pupil Transportation	459,031	0	49,710	(409,321)
Food Service Operations	175,219	42,422	111,302	(21,495)
Extracurricular Activities	480,251	227,964	0	(252,287)
Interest	236	0	0	(236)
<b>Total Governmental Activities</b>	<b>\$9,657,705</b>	<b>\$441,336</b>	<b>\$1,404,649</b>	<b>(7,811,720)</b>

**General Revenues**

Property Taxes Levied for General Purposes	3,059,152
Property Taxes Levied for Capital Purposes	366,950
Grants and Entitlements not Restricted to Specific Programs	4,610,893
Investment Earnings	353,920
Contributions and Donations	1,010,000
Miscellaneous	27,884
<b>Total General Revenues</b>	<b>9,428,799</b>
<b>Change in Net Position</b>	<b>1,617,079</b>
<b>Net Position Beginning of Year - Restated (Note 3)</b>	<b>6,269,904</b>
<b>Net Position End of Year</b>	<b>\$7,886,983</b>

See accompanying notes to the basic financial statements

**Shadyside Local School District**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2023*

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$9,145,588	\$1,757,430	\$10,903,018
Receivables:			
Property Taxes	3,268,490	388,936	3,657,426
Intergovernmental	133,964	143,963	277,927
Interfund	132,845	0	132,845
Prepaid Items	61,059	0	61,059
Materials and Supplies Inventory	0	2,190	2,190
<i>Total Assets</i>	<u>\$12,741,946</u>	<u>\$2,292,519</u>	<u>\$15,034,465</u>
<b>Liabilities</b>			
Accounts Payable	\$24,396	\$23,396	\$47,792
Accrued Wages and Benefits Payable	542,023	10,574	552,597
Interfund Payable	0	132,845	132,845
Intergovernmental Payable	297,953	5,031	302,984
Matured Severance Payable	65,008	0	65,008
Unearned Revenue	0	167,880	167,880
<i>Total Liabilities</i>	<u>929,380</u>	<u>339,726</u>	<u>1,269,106</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	2,850,191	344,003	3,194,194
Unavailable Revenue	250,111	13,357	263,468
<i>Total Deferred Inflows of Resources</i>	<u>3,100,302</u>	<u>357,360</u>	<u>3,457,662</u>
<b>Fund Balances</b>			
Nonspendable:			
Materials and Supplies Inventory	0	2,190	2,190
Prepaid Items	61,059	0	61,059
Restricted for:			
Food Service	0	19,519	19,519
Capital Projects	0	1,456,232	1,456,232
Federal Programs	0	1,282	1,282
State Programs	0	15,168	15,168
Local Programs	0	33,666	33,666
Student Activity Programs	0	67,376	67,376
Assigned to:			
Purchases on Order	63,371	0	63,371
Future Appropriations	1,008,115	0	1,008,115
Unassigned (Deficit)	7,579,719	0	7,579,719
<i>Total Fund Balances</i>	<u>8,712,264</u>	<u>1,595,433</u>	<u>10,307,697</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$12,741,946</u>	<u>\$2,292,519</u>	<u>\$15,034,465</u>

See accompanying notes to the basic financial statements

**Shadyside Local School District**  
*Reconciliation of Total Governmental Fund Balances  
to Net Position of Governmental Activities  
June 30, 2023*

<b>Total Governmental Fund Balances</b>		<b>\$10,307,697</b>
 <i>Amounts reported for governmental activities on the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		4,778,909
Other long-term assets are not available to pay for current period expenditures and are therefore reported as deferred inflows of resources in the funds:		
Delinquent Property Taxes	130,660	
Tuition and Fees Revenues	<u>132,808</u>	
Total		263,468
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Leases	5,306	
Compensated Absences	<u>517,079</u>	
Total		(522,385)
The net OPEB asset, net pension liability, and net OPEB liability are not due and payable in the current period; therefore, the asset, the liability, and the related deferred inflows/outflows are not reported in the governmental funds:		
Net OPEB Asset	675,580	
Deferred Outflows - Pension	1,843,011	
Deferred Outflows - OPEB	221,598	
Net Pension Liability	(7,500,596)	
Net OPEB Liability	(449,474)	
Deferred Inflows - Pension	(668,450)	
Deferred Inflows - OPEB	<u>(1,062,375)</u>	
Total		<u>(6,940,706)</u>
<i>Net Position of Governmental Activities</i>		<u><u>\$7,886,983</u></u>
 See accompanying notes to the basic financial statements		

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

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property Taxes	\$3,098,799	\$371,841	\$3,470,640
Intergovernmental	4,977,110	1,038,432	6,015,542
Investment Earnings	344,449	9,471	353,920
Tuition and Fees	181,799	0	181,799
Extracurricular Activities	41,490	186,474	227,964
Contributions and Donations	10,000	1,000,000	1,010,000
Charges for Services	3,195	42,422	45,617
Miscellaneous	27,884	0	27,884
<i>Total Revenues</i>	<u>8,684,726</u>	<u>2,648,640</u>	<u>11,333,366</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	3,683,919	511,190	4,195,109
Special	1,054,859	297,667	1,352,526
Support Services:			
Pupils	300,169	0	300,169
Instructional Staff	116,684	5,400	122,084
Board of Education	76,628	0	76,628
Administration	1,036,818	2,258	1,039,076
Fiscal	371,672	7,326	378,998
Operation and Maintenance of Plant	1,080,466	669,160	1,749,626
Pupil Transportation	370,120	56,615	426,735
Food Service Operations	0	174,273	174,273
Extracurricular Activities	234,547	225,020	459,567
Capital Outlay	30,258	92,625	122,883
Debt Service:			
Principal Retirement	4,104	0	4,104
Interest	236	0	236
<i>Total Expenditures</i>	<u>8,360,480</u>	<u>2,041,534</u>	<u>10,402,014</u>
<i>Excess of Revenues Over Expenditures</i>	<u>324,246</u>	<u>607,106</u>	<u>931,352</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	0	43,802	43,802
Transfers Out	(43,802)	0	(43,802)
<i>Total Other Financing Sources (Uses)</i>	<u>(43,802)</u>	<u>43,802</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	280,444	650,908	931,352
<i>Fund Balances Beginning of Year</i>	<u>8,431,820</u>	<u>944,525</u>	<u>9,376,345</u>
<i>Fund Balances End of Year</i>	<u><u>\$8,712,264</u></u>	<u><u>\$1,595,433</u></u>	<u><u>\$10,307,697</u></u>

See accompanying notes to the basic financial statements

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

**Net Change in Fund Balances - Total Governmental Funds** \$931,352

*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 exceeded depreciation in the current period.

Capital Asset Additions	1,066,634	
Current Year Depreciation	(341,647)	
Total		724,987

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

Delinquent Property Taxes	(44,538)	
Tuition and Fees Revenues	(14,044)	
Total		(58,582)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Position.

Leases		4,104
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Some expenses reported on the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in the funds:

Compensated Absences Payable		(17,296)
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Contractually required contributions are reported as expenditures in the governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows:

Pension	686,152	
OPEB	24,342	
Total		710,494

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

Pension	(812,974)	
OPEB	134,994	
Total		(677,980)

*Change in Net Position of Governmental Activities* \$1,617,079

See accompanying notes to the basic financial statements

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Property Taxes	\$3,301,109	\$3,141,408	\$3,141,952	\$544
Intergovernmental	3,925,415	4,933,669	5,005,739	72,070
Interest	346,000	346,000	344,449	(1,551)
Tuition and Fees	169,800	169,800	181,799	11,999
Contributions and Donations	5,000	5,000	10,000	5,000
Charges for Services	3,000	3,000	3,195	195
Miscellaneous	0	27,000	27,894	894
<i>Total Revenues</i>	<u>7,750,324</u>	<u>8,625,877</u>	<u>8,715,028</u>	<u>89,151</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	4,266,443	4,123,642	3,828,288	295,354
Special	893,638	933,938	1,052,549	(118,611)
Support Services:				
Pupil	284,151	328,866	307,469	21,397
Instructional Staff	118,584	122,584	121,534	1,050
Board of Education	141,923	141,953	88,870	53,083
Administration	939,273	988,481	996,856	(8,375)
Fiscal	344,681	367,456	377,128	(9,672)
Operation and Maintenance of Plant	1,405,086	1,601,723	1,359,318	242,405
Pupil Transportation	374,467	414,529	383,322	31,207
Extracurricular Activities	205,909	205,909	228,065	(22,156)
<i>Total Expenditures</i>	<u>8,974,155</u>	<u>9,229,081</u>	<u>8,743,399</u>	<u>485,682</u>
<i>Excess of Revenues Under Expenditures</i>	(1,223,831)	(603,204)	(28,371)	574,833
<b>Other Financing Uses</b>				
Transfers Out	(297,926)	(43,000)	(43,802)	(802)
<i>Net Change in Fund Balance</i>	(1,521,757)	(646,204)	(72,173)	574,031
<i>Fund Balance Beginning of Year - Restated (Note 3)</i>	8,656,545	8,656,545	8,656,545	0
Prior Year Encumbrances Appropriated	591,789	591,789	591,789	0
<i>Fund Balance End of Year</i>	<u>\$7,726,577</u>	<u>\$8,602,130</u>	<u>\$9,176,161</u>	<u>\$574,031</u>

See accompanying notes to the basic financial statements

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**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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

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

The first official body designated as the Shadyside Local Board of Education was formed on January 2, 1905. At that meeting, the clerk's salary was set at \$25.00 per year. The clerk was instructed to purchase a clerk's record. At the second meeting, the Librarian's salary was set at \$10.00 per year. A new building had been constructed prior to this time. Insurance was purchased to cover this structure in the amount of \$3,500 on the building and \$500 on the contents.

The School District is located in Belmont County. The Board controls the School District's four instructional/support facilities staffed by 22 non-certificated employees, 51 certificated teaching personnel, and 11 administrators who provide services to 715 students and other community members.

***Reporting Entity***

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

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

The School District is involved with the Belmont-Harrison Vocational School District, 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), which are defined as jointly governed organizations; the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP) and the Ohio School Plan (OSP), which are defined as insurance purchasing pools; and the Stark County Schools' Council of Government Health Benefits Program (COG), which is defined as a shared risk insurance purchasing pool. These organizations are presented in Notes 16 and 17 to the general purpose financial statements.

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

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

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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***Basis of Presentation***

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

***Government-wide Financial Statements***

The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the stand-alone government, except for fiduciary funds. These statements usually distinguish between those activities of the School District that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). The School District has no business type activities.

The Statement of Net Position presents the financial condition of the governmental activities of the School District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. 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. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type. The School District has no fiduciary funds.

***Fund Accounting***

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

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

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

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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

***Fiduciary Funds*** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. The School District has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District's custodial fund is used to account for assets held by the School District and distributed for the benefit of Ohio High School Athletic Association. There was no custodial activity for fiscal year 2023.

***Measurement Focus***

***Government-wide Financial Statements*** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows and all liabilities and deferred inflows 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 deferred outflows and current liabilities and deferred inflows 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 fiduciary 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. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus. Fiduciary funds present a Statement of Changes in Fiduciary Net Position which reports additions to and deductions from custodial funds.

***Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Fiduciary 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 deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

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

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied (See Note 6). Revenue from grants, entitlements, and donations are 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 non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, tuition, grants, student fees, and rentals.

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

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide Statement of Net Position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the Governmental Fund Financial Statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the School District unavailable revenue includes delinquent property taxes and tuition and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 16. Net Deferred inflows of resources related to pension and OPEB are reported on the government-wide Statement of Net Position. See Notes 10 and 11 for more information.

***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, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as “equity in pooled cash and cash equivalents.”

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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, 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 statutes, 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 \$344,449, which includes \$47,577 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 to be 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, or are imposed by law through constitutional provisions or enabling legislation.

***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 fiscal 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 proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets (except for intangible right-to-use lease assets and subscription assets which are discussed later) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal 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 assets 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

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
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acquisition values as of the date received. The School District maintains a capitalization threshold of one thousand five hundred 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 capital assets are depreciated, except for land. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land	N/A
Construction in Progress	N/A
Land Improvements	5-20 Years
Buildings and Improvements	5-50 Years
Furniture, Fixtures, and Equipment	5-20 Years
Vehicles	5-20 Years

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

***Interfund Balances***

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

***Compensated Absences***

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

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, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon occurrence of employee resignations and retirements. These amounts are recorded in the account "matured severance payable" in the fund from which the employees who have accumulated leave are paid.

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***Pensions/Other Postemployment Benefits (OPEB)***

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

***Accrued Liabilities and Long-Term Obligations***

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments 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 fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that the 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.

***Leases Payable***

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

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

***Internal Activity***

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

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

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

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
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***Fund Balance***

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

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

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

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

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

***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. The amount assigned in the General Fund represents encumbered amounts for outstanding obligations, and the amount of fund balance needed to cover budgetary shortfall in the subsequent year.

***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.



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

***Net Position***

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include local resources to be used for student programs. Restricted net position for OPEB plans represent 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.

***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 in 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, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets 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 fiscal 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.

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*Notes to the Basic Financial Statements*  
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The appropriation resolution is subject to amendment by the Board throughout the fiscal 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.

Some of the School District's funds are separate for budgetary purposes, and then combined on the GAAP basis. The Parker Memorial, Public School Support, Adult Ed, and E-Rate Special Revenue Funds are budgeted individually on a cash basis but are combined with the General Fund on a GAAP basis.

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

***Changes in Accounting Principle***

For fiscal year 2023, the School District implemented Governmental Accounting Standards Board (GASB) 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. The effect of the implementation on beginning net position is addressed later in this Note.

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

***Restatement of Net Position***

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

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Net Position at June 30, 2022	\$6,235,202
Restatement for Subscription Asset	<u>34,702</u>
Restated Net Position at June 30, 2022	<u><u>\$6,269,904</u></u>

***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 meet the criteria for separate reporting in external financial statements. The restatement had the following effect on budgetary fund balance:

Budget Basis Fund Balance at June 30, 2022	\$8,696,983
Restatement	<u>(40,438)</u>
Restated Budget Balance at June 30, 2022	<u><u>\$8,656,545</u></u>

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

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

The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or unassigned fund balance (GAAP basis).
4. 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	
	<u>General</u>
GAAP Basis	\$280,444
Revenue Accruals	72,213
Expenditure Accruals	(364,056)
Encumbrances	(69,839)
Perspective Difference	<u>9,065</u>
Budget Basis	<u><u>(\$72,173)</u></u>

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**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. 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.

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

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

***Deposits***

Custodial credit risk 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, \$5,215,560 of the School District's total bank balance of \$10,931,119 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 \$150,374 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.

**Shadyside Local School District**  
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**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State Statute permits alternate payment dates to be established. Public utility property tax revenue received in calendar year 2023 represents collections of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2023 became a lien December 31, 2021, were levied after April 1, 2022 and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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

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

The amount available as an advance at June 30, 2023, was \$300,996 in the General Fund and \$31,576 in the Permanent Improvement Fund. The amount available as an advance at June 30, 2022, was \$344,149 in the General Fund and \$36,179 in the Permanent Improvement Fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified basis the revenue has been recorded 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	\$114,504,600	80.7%	\$108,608,890	79.0%
Public Utility Personal	27,395,630	19.3%	28,796,620	21.0%
Total Assessed Values	<u>\$141,900,230</u>	<u>100.0%</u>	<u>\$137,405,510</u>	<u>100.0%</u>
Tax Rate per \$1,000 of assessed valuation	\$35.50		\$35.50	

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
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**NOTE 7 – RECEIVABLES**

Receivables at June 30, 2023, consisted of property taxes and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. Delinquent property taxes deemed collectible by the County Auditor and recorded as receivable in the amount of \$130,660 may not be collected within one year. All other receivables are expected to be collected within one year. A summary of intergovernmental receivables at June 30, 2023 is as follows.

	<u>Governmental Activities</u>
Excess Cost from Other School Districts	\$132,808
Medicaid	1,156
ESSER Grant	132,845
ECE Innovation Grant	<u>11,118</u>
Total Intergovernmental Receivable	<u><u>\$277,927</u></u>

**NOTE 8 – CAPITAL ASSETS**

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

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**Shadyside Local School District**  
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	Restated Balance 6/30/22	Additions	Deletions	Balance 6/30/23
<b><i>Nondepreciable Capital Assets</i></b>				
<b><i>Tangible Assets</i></b>				
Land	\$138,289	\$0	\$0	\$138,289
Construction in Progress	200,000	0	(200,000)	0
<b><i>Total Tangible Assets</i></b>	<b>338,289</b>	<b>0</b>	<b>(200,000)</b>	<b>138,289</b>
<b><i>Intangible Right to Use Subscription Assets</i></b>				
Development in Progress	34,702	30,258	(34,702)	30,258
<b><i>Total Nondepreciable Capital Assets</i></b>	<b>372,991</b>	<b>30,258</b>	<b>(234,702)</b>	<b>168,547</b>
<b><i>Depreciable Capital Assets</i></b>				
<b><i>Tangible Assets</i></b>				
Land Improvements	2,394,264	805,578	0	3,199,842
Buildings and Improvements	5,064,822	161,621	0	5,226,443
Furniture, Fixtures, and Equipment	2,130,820	149,114	0	2,279,934
Vehicles	843,581	120,063	(60,000)	903,644
<b><i>Total Tangible Assets</i></b>	<b>10,433,487</b>	<b>1,236,376</b>	<b>(60,000)</b>	<b>11,609,863</b>
<b><i>Intangible Right to Use Subscription Assets</i></b>				
Intangible Right to Use - Digital Curriculum	0	34,702	0	34,702
<b><i>Intangible Right to Use Lease Equipment</i></b>				
Intangible Right to Use - Copiers	20,085	0	0	20,085
<b><i>Total Depreciable Capital Assets</i></b>	<b>10,453,572</b>	<b>1,271,078</b>	<b>(60,000)</b>	<b>11,664,650</b>
<b><i>Less Accumulated Depreciation/Amortization</i></b>				
<b><i>Depreciation</i></b>				
Land Improvements	(1,206,926)	(112,947)	0	(1,319,873)
Buildings and Improvements	(3,524,869)	(89,020)	0	(3,613,889)
Furniture, Fixtures, and Equipment	(1,590,796)	(66,835)	0	(1,657,631)
Vehicles	(439,342)	(63,044)	60,000	(442,386)
<b><i>Total Depreciation</i></b>	<b>(6,761,933)</b>	<b>(331,846)</b>	<b>60,000</b>	<b>(7,033,779)</b>
<b><i>Amortization</i></b>				
<b><i>Intangible Right to Use Subscription Assets</i></b>				
Intangible Right to Use - Digital Curriculum	0	(5,784)	0	(5,784)
<b><i>Intangible Right to Use Lease Equipment</i></b>				
Intangible Right to Use - Copiers	(10,708)	(4,017)	0	(14,725)
<b>Total Accumulated Depreciation/Amortization</b>	<b>(6,772,641)</b>	<b>(341,647)</b>	<b>60,000</b>	<b>(7,054,288)</b>
<b>Total Depreciable Capital Assets, Net</b>	<b>3,680,931</b>	<b>929,431</b>	<b>0</b>	<b>4,610,362</b>
<b>Governmental Capital Assets, Net</b>	<b>\$4,053,922</b>	<b>\$959,689</b>	<b>(\$234,702)</b>	<b>\$4,778,909</b>



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

	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
Instruction:			
Regular	\$78,215	\$9,399	\$87,614
Special	13,487	0	13,487
Vocational	1,181	0	1,181
Support Services:			
Administration	18,086	402	18,488
Fiscal	483	0	483
Operation of Maintenance and Plant	142,068	0	142,068
Pupil Transportation	45,974	0	45,974
Food Service Operations	6,405	0	6,405
Extracurricular Activities	25,947	0	25,947
Total Expense	<u>\$331,846</u>	<u>\$9,801</u>	<u>\$341,647</u>

**NOTE 9 - RISK MANAGEMENT**

***Property and Liability Insurance***

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District joins together with other school districts in Ohio to participate in the Ohio School Plan (OSP), an insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP (See Note 17). The Shadyside Local School District contracted with the Ohio School Plan for liability, property, and fleet insurance.

Building and Contents-replacement cost (\$1,000 deductible)	\$45,679,893
Automotive Liability (\$1,000 deductible)	3,000,000
Uninsured Motorist	1,000,000
<i>General Liability:</i>	
Each Occurrence	3,000,000
Aggregated Limit	5,000,000
Personal and Advertising Injury Limit - Each Occurrence	3,000,000
<i>Sexual Misconduct Liability:</i>	
Each Occurrence	3,000,000
Aggregated Limit	5,000,000
School Leaders Errors and Omissions Liability:	
Each Occurrence	3,000,000
Aggregated Limit	5,000,000
Employee Benefits Liability:	
Each Occurrence	3,000,000
Aggregated Limit	5,000,000
Employer's Liability:	
Each Occurrence	3,000,000

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

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***Workers' 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. Minute Men provides administrative, cost control, and actuarial services to the GRP.

***Employee Benefits***

The School District contracted with the Stark County Schools' Council of Government Health Benefits Program (COG), to provide employee medical/surgical, dental, and vision benefits. The COG's health benefits program is a shared risk insurance purchasing pool comprised of 164 member school districts, educational service centers, and related agencies. See Note 17 for further information about the COG. Rates are set through an annual calculation process. The School District pays a monthly contribution which is paid in a common fund from which claim payments are made for all participants regardless of claims flow. The board of directors has the right to return monies to an existing school district subsequent to the settlements of all expenses and claims. Premiums for this coverage are \$1,052.55 for individual coverage per month, and \$2,556.93 for family coverage per month; the Board pays 90 percent of the premium. The premium is paid from the fund that pays the salary of the covered employee. Dental premiums are \$109.25 for individual coverage per month, and \$269.55 for family coverage per month; the Board pays 90 percent of the premium. The premium is paid from the fund that pays the salary of the covered employee.

**NOTE 10 - 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.

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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 11 for the required OPEB disclosures.

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

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Age 65 with 5 years of service credit, or Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

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

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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 \$188,027 for fiscal year 2023. Of this amount, \$33,044 is reported as an intergovernmental payable.

***Plan Description - State Teachers Retirement System (STRS)***

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

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

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 any age.

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

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to

**Shadyside Local School District**  
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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 \$498,125 for fiscal year 2023. Of this amount, \$77,594 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	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.03144060%	0.026090910%	
Prior Measurement Date	0.03078960%	0.025854846%	
Change in Proportionate Share	0.00065100%	0.000236064%	
			Total
Proportionate Share of the Net:			
Pension Liability	\$1,700,553	\$5,800,043	\$7,500,596
Pension Expense	\$136,471	\$676,502	\$812,973

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

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$68,874	\$74,248	\$143,122
Changes of assumptions	16,780	694,090	710,870
Net difference between projected and actual earnings on pension plan investments	0	201,829	201,829
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	38,184	62,854	101,038
School District contributions subsequent to the measurement date	<u>188,027</u>	<u>498,125</u>	<u>686,152</u>
Total Deferred Outflows of Resources	<u>\$311,865</u>	<u>\$1,531,146</u>	<u>\$1,843,011</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$11,163	\$22,187	\$33,350
Changes of assumptions	0	522,451	522,451
Net difference between projected and actual earnings on pension plan investments	59,341	0	59,341
Changes in proportionate share and Difference between School District contributions and proportionate share of contributions	<u>0</u>	<u>53,308</u>	<u>53,308</u>
Total Deferred Inflows of Resources	<u>\$70,504</u>	<u>\$597,946</u>	<u>\$668,450</u>

\$686,152 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2024	\$33,436	(\$941)	\$32,495
2025	6,052	6,187	12,239
2026	(84,770)	(158,389)	(243,159)
2027	<u>98,616</u>	<u>588,218</u>	<u>686,834</u>
Total	<u>\$53,334</u>	<u>\$435,075</u>	<u>\$488,409</u>

***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.

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

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

Key methods and assumptions used in calculating the total 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 COLA or Ad Hoc COLA	3.25 percent to 13.58 percent 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.

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100.00 %</u>	

**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:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School District's proportionate share of the net pension liability	\$2,503,132	\$1,700,553	\$1,024,390

**Actuarial Assumptions – STRS**

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

	<u>June 30, 2022</u>
Inflation	2.50 percent
Salary increases	From 2.5 percent to 8.5 percent based on age
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017



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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:

<u>Asset Class</u>	<u>Target Allocation *</u>	<u>Long-Term Expected Rate of Return **</u>
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	<u>100.00%</u>	

\* 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.

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***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	\$8,761,752	\$5,800,043	\$3,295,352

***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, one Board Member has elected Social Security. The contribution rate is 6.2 percent of wages.

**NOTE 11 - DEFINED BENEFIT OPEB PLANS**

See Note 10 for a description of the Net OPEB Liability/ (Asset).

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

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

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. 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.

**Shadyside Local School District**  
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Funding Policy - State statute permits SERS to fund healthcare 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 \$24,342.

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 \$24,342 for fiscal year 2023; all are 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](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year-ended June 30, 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	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.03201350%	0.026090910%	
Prior Measurement Date	0.03152510%	0.025854846%	
Change in Proportionate Share	0.00048840%	0.000236064%	
			Total
Proportionate Share of the:			
Net OPEB Liability	\$449,474	\$0	\$449,474
Net OPEB (Asset)	\$0	(\$675,580)	(\$675,580)
OPEB Expense	(\$8,440)	(\$126,554)	(\$134,994)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$3,778	\$9,793	\$13,571
Changes of assumptions	71,494	28,777	100,271
Net difference between projected and actual earnings on OPEB plan investments	2,336	11,760	14,096
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	62,561	6,757	69,318
School District contributions subsequent to the measurement date	<u>24,342</u>	<u>0</u>	<u>24,342</u>
Total Deferred Outflows of Resources	<u>\$164,511</u>	<u>\$57,087</u>	<u>\$221,598</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$287,515	\$101,459	\$388,974
Changes of assumptions	184,511	479,052	663,563
Changes in proportionate share and Difference between School District contributions and proportionate share of contributions	<u>0</u>	<u>9,838</u>	<u>9,838</u>
Total Deferred Inflows of Resources	<u>\$472,026</u>	<u>\$590,349</u>	<u>\$1,062,375</u>

\$24,342 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2024	(\$68,135)	(\$159,762)	(\$227,897)
2025	(70,935)	(150,611)	(221,546)
2026	(66,108)	(73,314)	(139,422)
2027	(44,054)	(30,048)	(74,102)
2028	(31,398)	(39,513)	(70,911)
Thereafter	<u>(51,227)</u>	<u>(80,014)</u>	<u>(131,241)</u>
Total	<u>(\$331,857)</u>	<u>(\$533,262)</u>	<u>(\$865,119)</u>

***Actuarial Assumptions - SERS***

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

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

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

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

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

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

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

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
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The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 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 10.

**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	\$558,252	\$449,474	\$361,658
	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	\$346,624	\$449,474	\$583,810

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
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***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 10.

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
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**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	(\$624,556)	(\$675,580)	(\$719,287)
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$700,741)	(\$675,580)	(\$643,821)

**NOTE 12 - OTHER EMPLOYEE BENEFITS**

***Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators who work more than 260 days 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 270 days for certified employees hired prior to August 1, 2012, all certified employees hired after August 1, 2012 may accumulate a maximum of 240 days. Classified employees may accumulate a maximum sick leave balance of 250.

For certified employees hired prior to August 1, 2012, upon retirement, payment is made for 30 percent of accumulated sick leave at 30 years; 29 percent of accumulated sick leave at 31 years; 28 percent of accumulated unused sick leave at 32 years; 27 percent of accumulated sick leave at 33 years; 26 percent of accumulated sick leave at 34 years; and 25 percent of accumulated sick leave at 35 years. If an employee is eligible to retire at less than 30 years of credited service, severance will be calculated in the following manner:

Number of years credited service divided by 30 equaling the prorated factor. The prorated factor will then be multiplied by the 30 percent/30 years, (formula as stated above).



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For certified employees hired after August 1, 2012, upon retirement, payment is made for 27.5 percent of accumulated sick leave at 30 years; 26.5 percent of accumulated sick leave at 31 years; 25.5 percent of accumulated unused sick leave at 32 years; 24.5 percent of accumulated sick leave at 33 years; 23.5 percent of accumulated sick leave at 34 years; and 22.5 percent of accumulated sick leave at 35 years. If an employee is eligible to retire at less than 30 years of credited service, severance will be calculated in the following manner:

Number of years credited service divided by 30 equaling the prorated factor. The prorated factor will then be multiplied by the 30 percent/30 years, (formula as stated above).

For classified employees, payment is made for the first 75 days of accumulated leave at the regular rate of pay with the remaining balance of days to be paid \$10 per day.

***Other Insurance Benefits***

Life insurance is provided in the amount of \$40,000 for all certified teachers and administrators. Classified employees whose salary is at least \$15,000; \$15,000 for classified employees whose salary is less than \$15,000; and \$20,000 for classified employees whose salary is more than \$15,000. The monthly premium for life insurance is \$0.125 per \$1,000 of coverage. The Board pays 100 percent of the premiums.

**NOTE 13 - LONG - TERM OBLIGATIONS**

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

	Principal Outstanding 6/30/22	Additions	Deductions	Principal Outstanding 6/30/23	Amounts Due In One Year
<b>Governmental Activities:</b>					
Leases	\$9,410	\$0	\$4,104	\$5,306	\$4,229
Compensated Absences	499,783	106,780	89,484	517,079	45,862
Net Pension Liability					
SERS	1,136,048	564,505	0	1,700,553	0
STRS	3,305,774	2,494,269	0	5,800,043	0
Total Net Pension Liability	4,441,822	3,058,774	0	7,500,596	0
SERS Net OPEB Liability	596,640	0	147,166	449,474	0
Total Governmental Activities	<u>\$5,547,655</u>	<u>\$3,165,554</u>	<u>\$240,754</u>	<u>\$8,472,455</u>	<u>\$50,091</u>

***Leases***

The School District has outstanding agreements to lease copiers and also contracts to use a SBITA vendor’s IT software. Due to the implementation of GASB Statement 87, these leases met the criteria of the Statement, thus requiring them to be recorded by the School District. The future lease payments were discounted based on the interest rate implicit in the lease. These discounts are being amortized using the interest method over the life of the lease.

The copier lease was originally entered into for a 60-month period and include both a minimum cost for the equipment and a variable per use charges. The lease term expires in September of 2024.

**Shadyside Local School District**  
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Lease payments will be made from the General Fund. A summary of the principal and interest amounts for the remaining leases is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$4,229	\$112
2025	1,077	8
Totals	<u>\$5,306</u>	<u>\$120</u>

The School District's overall legal debt margin was \$12,366,496, with an unvoted debt margin of \$137,406, at June 30, 2023.

***Compensated Absences***

The School District pays compensated absences 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 the Miscellaneous Federal Grant and the Food Service Special Revenue Funds. For additional information related to the net pension/OPEB liability, see Notes 10 and 11.

**NOTE 14 - COMMITMENTS**

***Encumbrances***

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

General Fund	\$70,194
Other Non-major Governmental Funds	<u>840,058</u>
Total	<u><u>\$910,252</u></u>

**NOTE 15 - INTERNAL ACTIVITY**

***Transfers***

The General Fund transferred \$42,802 to the Miscellaneous Local Fund to provide funding for athletic extracurricular activities and \$1,000 to the Student Activities Fund for additional funding for other extracurricular activities.

***Interfund Balances***

The General Fund made a loan to the other governmental funds, in the amount of \$132,845 to cover actual cash deficits in the Elementary and Secondary School Emergency Relief Special Revenue Fund until grant monies are received. The cash deficit was covered by cash and cash equivalents from the General Fund.

**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS**

***Belmont-Harrison Vocational School District***

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

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

The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council). The Council was created as a separate regional council of governments pursuant to State Statutes. The Council operates under the direction of a Board comprised of a representative from each participating school district. The Board exercised total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the Board. The Council provides information technology and internet access to member districts, as well as cooperative purchasing programs. During fiscal year 2023, the total amount paid to the Council from the School District was \$41,704 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 over 179 school districts in southeastern Ohio. The Coalition is operated by a Board which is comprised of fourteen members. The board members are comprised of one superintendent from each county elected by the school districts within that county. The Coalition provides various in-service for school district administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Board exercises total control over the operations of the Coalition including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the Board. The School District's membership fee was \$325 for fiscal year 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 Ohio School Boards Association. The Executive Director of the Ohio School Boards Association, 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 \$900 for policy year 2023 was paid to Minute Men.

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***Ohio School Plan (OSP)***

The School District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The Ohio School Plan (OSP) is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs, and other administrative services.

The OSP's business and affairs are conducted by a fifteen member Board of Directors consisting of school district superintendents and treasurers, as well as the president of Hylant Administrative Services and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Hylant Administrative Service is the sales and marketing representative, which establishes agreements between OSP and member schools.

***Shared Risk Insurance Purchasing Pool***

***The Stark County Schools' Council of Government Health Benefits Program (COG)***

The Stark County Schools' Council of Governments Health Benefits Program (COG) is a shared risk pool created pursuant to State Statute for the purposes of administering health care benefits. The COG is governed by an assembly which consists of one representative from each participating school district, (usually the superintendent or designee). The assembly elects officers for one year terms to serve on the Board of Directors. The assembly exercises control over the operation of the COG. Only the representatives from the original 19 Stark County school district members at the time of foundation have a vote in the assembly. All COG revenues are generated from charges for services received from the participating school districts, based on the established premiums for the insurance plans. Each school district reserves the right to terminate the plan in whole or in part, at any time. If it is terminated, no further contributions will be made, but the benefits under the insurance contract shall be paid in accordance with the terms of the contract.

**NOTE 18 - SET-ASIDE CALCULATIONS AND FUND RESTRICTIONS**

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

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

	<u>Capital Improvements</u>
Set-aside Restricted Balance as of June 30, 2022	\$0
Current Year Set-aside Requirement	224,002
Current Year Offsets	<u>(376,444)</u>
Totals	<u><u>(\$152,442)</u></u>
Balance Carried Forward to Fiscal Year 2024	<u>\$0</u>
Set-aside Restricted Balance as of June 30, 2023	<u><u>\$0</u></u>

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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

**NOTE 19 - CONTINGENCIES**

***Grants***

The School District received financial assistance from federal and state agencies in the form of grants. The 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.

***Litigation***

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

**NOTE 20 - 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 of 2021 while the national state of emergency ended in April 2023. During fiscal year 2023, the School District received COVID-19 funding. The School District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**NOTE 21 - SUBSEQUENT EVENTS**

***Renewal of Tax Levy***

On November 7, 2023, the voters of Shadyside Local School District approved a renewal of a permanent improvement levy. The levy will collect \$394,000 annually, at a rate not exceeding 4.5 mills, for 4 years, commencing in 2023, first due in calendar year 2024.

**Shadyside Local School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*School Employees Retirement System of Ohio*  
*Last Ten Fiscal Years\**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
School District's Proportion of the Net Pension Liability	0.03144060%	0.03078960%	0.02977410%	0.02876060%
School District's Proportionate Share of the Net Pension Liability	\$1,700,553	\$1,136,048	\$1,969,322	\$1,720,798
School District's Covered Payroll	\$1,170,114	\$1,049,050	\$1,006,171	\$1,043,437
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	145.33%	108.29%	195.72%	164.92%
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
0.02764080%	0.02603340%	0.02639060%	0.02506990%	0.02365300%	0.02365300%
\$1,583,040	\$1,555,440	\$1,931,548	\$1,430,511	\$1,197,064	\$1,406,568
\$906,644	\$855,736	\$819,586	\$754,730	\$687,323	\$715,556
174.60%	181.77%	235.67%	189.54%	174.16%	196.57%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

**Shadyside Local School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*State Teachers Retirement System of Ohio*  
*Last Ten Fiscal Years\**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
School District's Proportion of the Net Pension Liability	0.026090910%	0.025854846%	0.025872780%	0.025240800%
School District's Proportionate Share of the Net Pension Liability	\$5,800,043	\$3,305,774	\$6,260,292	\$5,581,851
School District's Covered Payroll	\$3,384,457	\$3,215,436	\$3,199,529	\$2,941,943
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	171.37%	102.81%	195.66%	189.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%	77.40%

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

See accompanying notes to the required supplementary information.



2019	2018	2017	2016	2015	2014
0.026231800%	0.025712650%	0.026601260%	0.027020680%	0.028007810%	0.028007810%
\$5,767,784	\$6,108,096	\$8,904,242	\$7,467,725	\$6,812,468	\$8,114,968
\$2,982,286	\$2,859,507	\$2,810,564	\$2,804,129	\$2,847,538	\$2,897,343
193.40%	213.61%	316.81%	266.31%	239.24%	280.08%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

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

	2023	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.03201350%	0.03152510%	0.03066260%	0.02933400%	0.02785720%	0.02623390%	0.02655510%
School District's Proportionate Share of the Net OPEB Liability	\$449,474	\$596,640	\$666,399	\$737,689	\$772,833	\$704,048	\$756,919
School District's Covered Payroll	\$1,170,114	\$1,049,050	\$1,006,171	\$986,652	\$906,644	\$855,736	\$819,586
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	38.41%	56.87%	66.23%	74.77%	85.24%	82.27%	92.35%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

(1) Although this schedule is intended to reflect information for ten years, 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.

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

	2023	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB (Asset) Liability	0.026090910%	0.025854846%	0.025872780%	0.025240800%	0.026231800%	0.025712650%	0.026601260%
School District's Proportionate Share of the Net OPEB (Asset) Liability	(\$675,580)	(\$545,128)	(\$454,713)	(\$481,048)	(\$421,519)	\$1,003,213	\$1,422,642
School District's Covered Payroll	\$3,384,457	\$3,215,436	\$3,199,529	\$2,941,943	\$2,982,286	\$2,859,507	\$2,810,564
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-19.96%	-16.95%	-14.21%	-16.35%	-14.13%	35.08%	50.62%
Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset) Liability	230.70%	174.70%	182.00%	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.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Net Pension Liability</b>					
Contractually Required Contribution	\$188,027	\$163,816	\$146,867	\$140,864	\$133,198
Contributions in Relation to the Contractually Required Contribution	<u>(188,027)</u>	<u>(163,816)</u>	<u>(146,867)</u>	<u>(140,864)</u>	<u>(133,198)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$1,343,050	\$1,170,114	\$1,049,050	\$1,006,171	\$986,652
Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.50%</u>
<b>Net OPEB Liability</b>					
Contractually Required Contribution (2)	\$24,342	\$20,217	\$19,222	\$18,592	\$22,182
Contributions in Relation to the Contractually Required Contribution	<u>(\$24,342)</u>	<u>(\$20,217)</u>	<u>(\$19,222)</u>	<u>(\$18,592)</u>	<u>(\$22,182)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.81%</u>	<u>1.73%</u>	<u>1.83%</u>	<u>1.85%</u>	<u>2.25%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.81%</u>	<u>15.73%</u>	<u>15.83%</u>	<u>15.85%</u>	<u>15.75%</u>

(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.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$122,397	\$119,803	\$114,742	\$99,474	\$95,263
<u>(122,397)</u>	<u>(119,803)</u>	<u>(114,742)</u>	<u>(99,474)</u>	<u>(95,263)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$906,644	\$855,736	\$819,586	\$754,730	\$687,323
<u>13.50%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.18%</u>	<u>13.86%</u>
\$18,764	\$13,447	\$12,627	\$18,384	\$12,956
<u>(\$18,764)</u>	<u>(\$13,447)</u>	<u>(\$12,627)</u>	<u>(\$18,384)</u>	<u>(\$12,956)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>2.07%</u>	<u>1.57%</u>	<u>1.54%</u>	<u>2.44%</u>	<u>1.88%</u>
<u>15.57%</u>	<u>15.57%</u>	<u>15.54%</u>	<u>15.62%</u>	<u>15.74%</u>

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Net Pension Liability</b>					
Contractually Required Contribution	\$498,125	\$473,824	\$450,161	\$447,934	\$411,872
Contributions in Relation to the Contractually Required Contribution	<u>(498,125)</u>	<u>(473,824)</u>	<u>(450,161)</u>	<u>(447,934)</u>	<u>(411,872)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$3,558,036	\$3,384,457	\$3,215,436	\$3,199,529	\$2,941,943
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
<b>Net OPEB Liability/Asset</b>					
Contractually Required Contribution	\$0	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

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

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$417,520	\$400,331	\$393,479	\$392,578	\$370,180
<u>(417,520)</u>	<u>(400,331)</u>	<u>(393,479)</u>	<u>(392,578)</u>	<u>(370,180)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,982,286	\$2,859,507	\$2,810,564	\$2,804,129	\$2,847,538
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>
\$0	\$0	\$0	\$0	\$28,475
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(28,475)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>1.00%</u>
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

**Shadyside Local School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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**Net Pension Liability**

**Changes in Assumptions – SERS**

Beginning in fiscal year 2018, 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

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 as follows:



**Shadyside Local School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

	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 as follows:

**Shadyside Local School District**  
*Notes to Required Supplementary Information*  
For the Fiscal Year Ended June 30, 2023

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

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

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

### Changes in Assumptions – STRS

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

**Shadyside Local School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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**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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**SHADYSIDE LOCAL SCHOOL DISTRICT  
BELMONT COUNTY**

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

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Passed Through To Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed Through Ohio Department of Education and Workforce</i>				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	10.555	2022	\$0	\$13,841
Cash Assistance:				
School Breakfast Program	10.553	2022	0	31,900
National School Lunch Program	10.555	2022	0	90,256
National School Lunch Program - COVID-19	10.555	2022	0	22,942
Cash Assistance Subtotal			<u>0</u>	<u>145,098</u>
Total Child Nutrition Cluster			0	158,939
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grants	10.649	2023	<u>0</u>	<u>628</u>
Total U.S. Department of Agriculture			0	159,567
<b>U.S. Department of Treasury</b>				
<i>Passed through Ohio Office of Budget and Management</i>				
American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Fund (SFRF) K-12 School Safety Grant Program				
	21.027	2023	<u>0</u>	<u>109,985</u>
Total U.S. Department of Treasury			<u>0</u>	<u>109,985</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<i>Passed Through Ohio Department of Education and Workforce</i>				
Title I Grants to Local Educational Agencies				
Title I Grants to Local Educational Agencies	84.010A	2023	<u>0</u>	<u>103,260</u>
Total Title I Grants to Local Educational Agencies			0	103,260
Special Education Cluster (IDEA):				
Special Education - Grants to States (IDEA, Part B)	84.027A	2023	<u>0</u>	<u>157,023</u>
Total Special Education, Grants to States (IDEA, Part B)			0	157,023
Special Education - Preschool Grants (IDEA Preschool)	84.173	2023	<u>2,515</u>	<u>2,515</u>
Total Special Education Cluster (IDEA)			2,515	159,538
Supporting Effective Instruction State Grants	84.367A	2023	0	20,026
Student Support and Academic Enrichment Program	84.424A	2023	0	11,562
COVID-19 Education Stabilization Fund				
COVID-19 Elementary and Secondary School Emergency Relief Fund II	84.425D	2023	0	56,094
COVID-19 American Rescue Plan--Elementary and Secondary School Emergency Relief	84.425U	2023	<u>0</u>	<u>208,102</u>
Total COVID-19 Education Stabilization Fund			<u>0</u>	<u>264,196</u>
Total U.S. Department of Education			<u>2,515</u>	<u>558,582</u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$2,515</b></u>	<u><b>\$828,134</b></u>

The accompanying notes are an integral part of this Schedule.

**SHADYSIDE LOCAL SCHOOL DISTRICT  
BELMONT COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

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

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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

# OHIO AUDITOR OF STATE KEITH FABER



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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*

Shadyside Local School District  
Belmont County  
3890 Lincoln Avenue  
Shadyside, Ohio 43947

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, the major fund, and the aggregate remaining fund information of the Shadyside Local School District, Belmont County, Ohio (the School District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated May 9, 2024.

### ***Report on Internal Control Over Financial Reporting***

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

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

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

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

May 9, 2024



# OHIO AUDITOR OF STATE KEITH FABER



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

Shadyside Local School District  
Belmont County  
3890 Lincoln Avenue  
Shadyside, Ohio 43947

To the Board of Education:

### Report on Compliance for Each Major Federal Program

#### ***Opinion on Each Major Federal Program***

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

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

#### ***Basis for Opinion on Each Major Federal Program***

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

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

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio

May 9, 2024

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**SHADYSIDE LOCAL SCHOOL DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
June 30, 2023**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b> <ul style="list-style-type: none"> <li>• AL#84.425D / #84.425U COVID-19 Education Stabilization Fund</li> <li>• AL#84.027 / #84.173 Special Education Cluster</li> </ul>	
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

# OHIO AUDITOR OF STATE KEITH FABER



**SHADYSIDE LOCAL SCHOOL DISTRICT**

**BELMONT COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 5/28/2024**

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

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