

Buckeye Local School District
Ashtabula County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

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

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

Overall:

- In total, net position increased \$3,509,706 from fiscal year 2022.
- General revenues accounted for \$19,605,276 in revenue or 81 percent of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,739,296 or 19 percent of total governmental revenues of \$24,344,572.
- The District had \$20,834,866 in expenses related to governmental activities; only \$4,739,296 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) coupled with the program revenues were adequate to provide for these programs this fiscal year.
- The general fund had \$19,863,652 in revenues and \$17,560,160 in expenditures on a modified accrual basis. The general fund's fund balance increased \$2,293,492 to \$18,608,684, from \$16,315,192 in fiscal year 2022, an increase of 14 percent.
- The District's total net pension liability increased to \$18,006,876 from \$10,673,316 and the OPEB liability decreased to \$1,001,496 from \$1,328,668, a combined net increase of \$7,006,388. For more information on this liability see Notes 12 and 13 to the basic financial statements.

Using these Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Buckeye 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.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the 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 and what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of Buckeye Local School District, the general fund by far is the most significant fund.

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Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the 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 answers this question. *These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.*

These two statements report the District's *net position* and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the *financial position* of the 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 District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the District has only one kind of activity:

- **Governmental Activities** - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. Due to the continuing subsidies that go to the lunchroom fund from the general fund, the lunchroom operation is also being considered as governmental activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major funds begins with the balance sheet. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these financial statements focus on the District's most significant funds. The District's major governmental fund is the general fund.

Governmental Funds Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual*, 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 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 difference) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the basic financial statements.

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The District as a Whole

Table 1 shows net position for fiscal year 2023 as compared to fiscal year 2022.

Net Position (Table 1) - Governmental Activities

	2023	2022	Increase (Decrease)
Assets			
Current and Other Assets	\$33,040,227	\$28,968,031	\$4,072,196
Capital Assets, Net	2,084,393	1,580,280	504,113
<i>Total Assets</i>	<u>35,124,620</u>	<u>30,548,311</u>	<u>4,576,309</u>
Deferred Outflows of Resources			
Pension	4,271,840	4,228,165	43,675
OPEB	433,813	477,737	(43,924)
<i>Total Deferred Outflows of Resources</i>	<u>4,705,653</u>	<u>4,705,902</u>	<u>(249)</u>
Liabilities			
Current Liabilities	2,209,737	2,108,876	100,861
Long-Term Liabilities			
Due within One Year	168,501	84,182	84,319
Due in More than One Year:			
Net Pension Liability	18,006,876	10,673,316	7,333,560
Net OPEB Liability	1,001,496	1,328,668	(327,172)
Other Amounts	1,141,584	1,171,042	(29,458)
<i>Total Liabilities</i>	<u>22,528,194</u>	<u>15,366,084</u>	<u>7,162,110</u>
Deferred Inflows of Resources			
Property Taxes	7,663,272	6,817,785	845,487
Pension	1,755,197	8,868,088	(7,112,891)
OPEB	2,503,022	2,331,374	171,648
<i>Total Deferred Inflows of Resources</i>	<u>11,921,491</u>	<u>18,017,247</u>	<u>(6,095,756)</u>
Net Position			
Net Investment in Capital Assets	1,919,432	1,446,847	472,585
Restricted	2,612,318	2,093,641	518,677
Unrestricted (Deficit)	848,838	(1,669,606)	2,518,444
<i>Total Net Position</i>	<u>\$5,380,588</u>	<u>\$1,870,882</u>	<u>\$3,509,706</u>

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2023 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The School District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension, OPEB and the net OPEB asset.

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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.

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

By comparing assets, liabilities, deferred outflows and deferred inflows of resources, one can see the overall position of the District has increased as evidenced by the increase in net position of \$3,509,706.

Table 2
Change in Net Position

	2023	2022	Increase (Decrease)
Revenues			
Program Revenues			
Charges for Services and Sales	\$1,021,635	\$823,949	\$197,686
Operating Grants and Contributions	3,717,661	3,637,648	80,013
<i>Total Program Revenues</i>	<u>4,739,296</u>	<u>4,461,597</u>	<u>277,699</u>
General Revenues			
Property Taxes	7,205,828	6,860,684	345,144
Intergovernmental	11,568,597	11,322,653	245,944
Investment Earnings	721,549	50,737	670,812
Miscellaneous	109,302	63,972	45,330
<i>Total General Revenues</i>	<u>19,605,276</u>	<u>18,298,046</u>	<u>1,307,230</u>
<i>Total Revenues</i>	<u>24,344,572</u>	<u>22,759,643</u>	<u>1,584,929</u>
Program Expenses			
Instruction	11,081,424	9,920,379	1,161,045
Support Services	8,191,742	7,747,613	444,129
Operation of Non-Instructional/Food Services	883,426	969,906	(86,480)
Extracurricular Activities	661,016	577,666	83,350
Interest and Fiscal Charges	17,258	3,977	13,281
<i>Total Program Expenses</i>	<u>20,834,866</u>	<u>19,219,541</u>	<u>1,615,325</u>
<i>Change in Net Position</i>	<u>3,509,706</u>	<u>3,540,102</u>	<u>(30,396)</u>
Net Position Beginning of Year	<u>1,870,882</u>	<u>(1,669,220)</u>	<u>3,540,102</u>
<i>Net Position End of Year</i>	<u><u>\$5,380,588</u></u>	<u><u>\$1,870,882</u></u>	<u><u>\$3,509,706</u></u>

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The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 30 percent of governmental activities revenue for Buckeye Local School District in fiscal year 2023, no change from fiscal year 2022.

Governmental Activities

Total net position of the School District increased \$3,509,706 during fiscal year 2023. The governmental expenses of \$20,834,866 were offset by program revenues of \$4,739,296 and general revenues of \$19,605,276. Program revenues supported 23 percent of the total governmental activities expenses. The effects of GASB 68 and 75 distort this comparative analysis due to the significant impact changes made to cost of living adjustments enacted by the state pension board had on the District's share of the total pension/OPEB liability (asset).

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 77 percent of total governmental revenue.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services.

Table 3
Total and Net Cost of Program Services

	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program Expenses				
Instruction	\$11,081,424	\$9,199,170	\$9,920,379	\$7,924,274
Support Services	8,191,742	6,559,806	7,747,613	6,899,544
Operation of Non-Instructional/Food Services	883,426	(59,906)	969,906	(421,753)
Extracurricular Activities	661,016	379,242	577,666	351,902
Interest and Fiscal Charges	17,258	17,258	3,977	3,977
<i>Total Expenditures</i>	<u>\$20,834,866</u>	<u>\$16,095,570</u>	<u>\$19,219,541</u>	<u>\$14,757,944</u>

The table above reflects how the District funds its programs through program revenues. Instructional services, support services, co-curricular activities, and interest charges rely heavily on general revenues, while non-instructional and food services were completely funded by program revenues during the fiscal year. The large increase in instructional and support services is the byproduct of GASB 68 and 75 as previously discussed. To gain a better understanding of operations, please refer to the fund analysis on the next following pages.

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The dependence upon general tax revenues for governmental activities is apparent. 65 percent of instruction activities are supported through property taxes alone this year. For all governmental activities, general revenue and prior year cash balances support all expenses as shown in the above table. The community, as a whole, is by far the primary support for Buckeye Local School District students.

The District's Funds

The District's funds (as presented on the balance sheet) reported a combined fund balance of \$20,838,377, which is more than last year's restated total of \$18,356,481 by 14 percent. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2023, and 2022.

	Fund Balance June 30, 2023	Fund Balance June 30, 2022	Increase (Decrease)
General	\$18,608,684	\$16,315,192	\$2,293,492
Other Governmental	2,229,693	2,041,289	188,404
Total	\$20,838,377	\$18,356,481	\$2,481,896

As one can see from the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, intergovernmental revenue and property taxes are the largest revenue sources, accounting for nearly 93 percent of total governmental revenue. Clearly, the community is the greatest source of financial support for the students of the Buckeye Local School District.

General Fund Budgeting Highlights

The 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 District amended its General Fund budget as needed. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, actual revenue, including other financing sources, was \$21,791,011, which was \$85,617 higher than the final budgeted revenue of \$21,705,394 and \$2,944,615 more than the original budget estimate of \$18,846,396. The District continues to use a conservative approach of estimating revenue and these variances are well within reason for an entire year of budgeting.

Total actual expenditures, including other financing uses, was \$19,085,294 which was \$2,031,255 less than the final budgeted expenditures of \$21,117,179. The variance from the original and final estimate is the result of a conservative, worst case scenario approach used by the District when planning out the original budget.

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Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the School District had \$2,084,393 invested in land, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and textbooks.

Table 4 shows fiscal year 2023 balances compared to fiscal year 2022:

Table 4
Capital Assets at June 30 (Net of Depreciation)

	<u>2023</u>	<u>2022</u>
Land	\$402,305	\$402,305
Construction in Progress	197,902	54,888
Land Improvements	256,676	222,100
Buildings and Improvements	651,660	221,631
Furniture, Fixtures and Equipment	366,773	330,389
Vehicles	174,628	245,617
Textbooks	34,449	103,350
<i>Total</i>	<u><u>\$2,084,393</u></u>	<u><u>\$1,580,280</u></u>

All capital assets, except land and construction in progress, are reported net of depreciation. As one can see, the School District had an overall increase in capital assets of \$504,113. The increase is due to current year additions of \$797,864 being more than depreciation of \$293,751. For more information about the School District's capital assets, see Note 9 to the basic financial statements.

Long-Term Liabilities

The School District's made its scheduled financed purchase agreement payment of \$14,197 during fiscal year 2023. The remaining principal balance on the agreement is \$64,348.

During fiscal year 2022 the District entered into a financed purchase agreement for HVAC renovations and improvements throughout various District buildings. The \$500,000 agreement was issued at 2.45 percent over 5 years; however, the project was still in progress at the end of the fiscal year, and only \$197,902 had been paid to contractors on the project. The District hopes to complete the project in fiscal year 2024 and will recognize the rest of the liability and corresponding capital improvements at that time. The District did make a principal payment of \$97,289 during fiscal year 2023.

For more information about the School District's financed purchase agreements, see Note 19 to the basic financial statements.

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Current Financial Related Activities

The challenge for Buckeye Local Schools to educate children on a stringent budget is getting even more difficult for our School District. Of the operating funds the School District received in fiscal year 2023, approximately 35 percent were from local property and public utility taxes, 51 percent from the State Foundation funding system, the Homestead/Rollback and tangible personal property reimbursements, and from other local funds. Of the other local funds category, open enrollment accounted for the majority. Declining enrollment of our own student population has allowed the District to accept students from other Districts and receive payment through the State for those students, which is identified as open enrollment.

Despite the funding structure of public education in Ohio, Buckeye Local School District has maintained financial stability through difficult times. As the preceding information shows, the District depends on its property taxpayers as well as state funding, including the tangible personal property tax reimbursements, for its revenue sources. With the passage of a 6.5 mill continuous operating levy in 2005, the District has been able to continue its education programs. However, financially the future is not without its challenges. Recently passed legislation reduced the tangible personal property tax reimbursements from the State. The total tangible personal property tax reimbursement to the permanent improvement fund has been discontinued. This decline necessitates the use of general fund dollars to maintain buildings and/or purchase equipment. Buckeye will continue to keep a tight watch on funds and will do so with little revenue growth from year to year. Circumstances will necessitate continuing to manage our financial resources in a prudent and conservative manner coupled with a combination of cost reductions and the possibility of additional levies to create revenue growth.

State law fixes the amount of tax revenue, forcing it to remain constant except for increases in valuation due to new construction in the District. Thus management must diligently plan expenses, staying carefully within the District's five-year forecast.

In fiscal year 2024, discussions with the Board of Education will be needed to determine how to address any projected shortfalls. The District will continue to call upon all of its financial abilities to meet the challenges the future will bring. It is imperative the District's Board and management team continue to carefully and prudently plan in order to provide the resources required to meet the student's needs over the next several years.

Contacting the District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer, at Buckeye Local School District, 3436 Edgewood Drive, Ashtabula, Ohio 44004.

Buckeye Local School District

Ashtabula County, Ohio

*Statement of Net Position
June 30, 2023*

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$22,568,981
Accounts Receivable	43,385
Intergovernmental Receivable	432,464
Property Taxes Receivable	8,205,766
Inventory Held for Resale	23,753
Materials and Supplies Inventory	107,875
Net OPEB Asset	1,658,003
Nondepreciable Capital Assets	600,207
Depreciable Capital Assets, Net	1,484,186
<i>Total Assets</i>	<u>35,124,620</u>
Deferred Outflows of Resources:	
Pension	4,271,840
Other Postemployment Benefits	433,813
<i>Total Deferred Outflows of Resources</i>	<u>4,705,653</u>
Liabilities	
Accounts Payable	176,441
Accrued Wages and Benefits Payable	1,508,661
Intergovernmental Payable	478,212
Matured Compensated Absences Payable	38,795
Accrued Interest Payable	7,628
Long-Term Liabilities:	
Due Within One Year	168,501
Due In More Than One Year:	
Net Pension Liability	18,006,876
Other Postemployment Benefits Liability	1,001,496
Other Amounts Due in More than One Year	1,141,584
<i>Total Liabilities</i>	<u>22,528,194</u>
Deferred Inflows of Resources:	
Property Taxes	7,663,272
Pension	1,755,197
Other Postemployment Benefits	2,503,022
<i>Total Deferred Inflows of Resources</i>	<u>11,921,491</u>
Net Position	
Net Investment in Capital Assets	1,919,432
Restricted for:	
Capital Projects	955,572
Other Purposes	1,656,746
Unrestricted	848,838
<i>Total Net Position</i>	<u>\$5,380,588</u>

See accountants' compilation report

See accompanying notes to the basic financial statements

Buckeye Local School District

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*Statement of Activities
For the Fiscal Year Ended June 30, 2023*

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
Instruction:				
Regular	\$8,449,385	\$421,772	\$535,061	(\$7,492,552)
Special	2,627,639	235,117	684,919	(1,707,603)
Other	4,400	0	5,385	985
Support Services:				
Pupils	1,820,199	0	688,526	(1,131,673)
Instructional Staff	604,246	0	196,605	(407,641)
Board of Education	24,504	0	0	(24,504)
Administration	1,774,747	0	340,156	(1,434,591)
Fiscal	535,465	0	0	(535,465)
Business	23,947	0	567	(23,380)
Operation and Maintenance of Plant	1,967,608	6,615	366,944	(1,594,049)
Pupil Transportation	1,276,941	4,906	17,067	(1,254,968)
Central	164,085	0	10,550	(153,535)
Operation of Non-Instructional Services	883,426	165,489	777,843	59,906
Extracurricular Activities	661,016	187,736	94,038	(379,242)
Interest and Fiscal Charges	17,258	0	0	(17,258)
<i>Total Governmental Activities</i>	<u>\$20,834,866</u>	<u>\$1,021,635</u>	<u>\$3,717,661</u>	<u>(16,095,570)</u>
General Revenues				
Property Taxes Levied for:				
General Purposes				6,783,324
Capital Outlay				422,504
Grants and Entitlements not				
Restricted to Specific Programs				11,568,597
Investment Earnings				721,549
Miscellaneous				109,302
<i>Total General Revenues</i>				<u>19,605,276</u>
Change in Net Position				3,509,706
<i>Net Position Beginning of Year</i>				1,870,882
<i>Net Position End of Year</i>				<u>\$5,380,588</u>

See accountants' compilation report

See accompanying notes to the basic financial statements

Buckeye Local School District

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*Balance Sheet
Governmental Funds
June 30, 2023*

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$19,064,498	\$3,504,483	\$22,568,981
Accounts Receivable	43,385	0	43,385
Interfund Receivable	1,182,946	0	1,182,946
Intergovernmental Receivable	0	432,464	432,464
Property Taxes Receivable	7,717,343	488,423	8,205,766
Inventory Held for Resale	0	23,753	23,753
Materials and Supplies Inventory	107,100	775	107,875
<i>Total Assets</i>	<u>\$28,115,272</u>	<u>\$4,449,898</u>	<u>\$32,565,170</u>
Liabilities			
Accounts Payable	\$132,099	\$44,342	\$176,441
Accrued Wages and Benefits Payable	1,424,219	84,442	1,508,661
Intergovernmental Payable	437,581	40,631	478,212
Matured Compensated Absences Payable	38,795	0	38,795
Interfund Payable	0	1,182,946	1,182,946
<i>Total Liabilities</i>	<u>2,032,694</u>	<u>1,352,361</u>	<u>3,385,055</u>
Deferred Inflows of Resources			
Property Taxes	7,210,033	453,239	7,663,272
Unavailable Revenue - Property Taxes	263,861	18,512	282,373
Unavailable Revenue - Grants	0	396,093	396,093
<i>Total Deferred Inflows of Resources</i>	<u>7,473,894</u>	<u>867,844</u>	<u>8,341,738</u>
Fund Balances			
Nonspendable	107,100	775	107,875
Restricted	0	2,287,602	2,287,602
Committed	0	26,547	26,547
Assigned	2,025,712	0	2,025,712
Unassigned (Deficit)	16,475,872	(85,231)	16,390,641
<i>Total Fund Balances</i>	<u>18,608,684</u>	<u>2,229,693</u>	<u>20,838,377</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$28,115,272</u>	<u>\$4,449,898</u>	<u>\$32,565,170</u>

See accountants' compilation report

See accompanying notes to the basic financial statements

Buckeye Local School District

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*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2023*

Total Governmental Fund Balances **\$20,838,377**

***Amounts reported for governmental activities in the
statement of net position are different because***

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds. 2,084,393

Other long-term assets are not available to pay for current-
period expenditures and therefore are reported as unavailable
revenue in the funds:

Delinquent Property Taxes	282,373
Grants	<u>396,093</u>

Total 678,466

The net pension and OPEB liabilities are not due and payable
in the current period and, therefore, are not reported in the funds.

Deferred Outflows - Pension	4,271,840
Deferred Inflows - Pension	(1,755,197)
Net Pension Liability	(18,006,876)
Deferred Outflows - OPEB	433,813
Deferred Inflows - OPEB	(2,503,022)
OPEB Asset	1,658,003
OPEB Liability	<u>(1,001,496)</u>

Total (16,902,935)

In the statement of activities, interest is accrued on outstanding
general obligation bonds and notes, whereas in governmental
funds, an interest expenditure is reported when due. (7,628)

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds:

Compensated Absences	(1,145,124)
Financed Purchase Agreements	<u>(164,961)</u>

Total (1,310,085)

Net Position of Governmental Activities **\$5,380,588**

See accountants' compilation report
See accompanying notes to the basic financial statements

Buckeye Local School District
Ashtabula County, Ohio

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
Revenues			
Property Taxes	\$6,783,324	\$422,504	\$7,205,828
Tuition and Fees	661,795	0	661,795
Interest	702,263	19,286	721,549
Charges for Services	0	165,489	165,489
Extracurricular Activities	69,510	118,226	187,736
Rentals	6,615	0	6,615
Contributions and Donations	10,913	16,128	27,041
Intergovernmental	11,519,930	3,404,376	14,924,306
Miscellaneous	109,302	0	109,302
<i>Total Revenues</i>	<u>19,863,652</u>	<u>4,146,009</u>	<u>24,009,661</u>
Expenditures			
Current:			
Instruction:			
Regular	8,193,560	126,194	8,319,754
Special	2,075,819	554,811	2,630,630
Other	0	4,400	4,400
Support Services:			
Pupils	1,190,886	638,046	1,828,932
Instructional Staff	435,785	156,808	592,593
Board of Education	25,348	0	25,348
Administration	1,465,523	334,769	1,800,292
Fiscal	558,496	9,029	567,525
Business	24,268	544	24,812
Operation and Maintenance of Plant	1,769,376	305,669	2,075,045
Pupil Transportation	1,152,675	52,185	1,204,860
Central	153,570	10,550	164,120
Operation of Food Services	0	884,789	884,789
Extracurricular Activities	431,633	193,089	624,722
Capital Outlay	74,134	723,730	797,864
Debt Service:			
Principal Retirement	7,099	104,387	111,486
Interest and Fiscal Charges	1,988	11,619	13,607
<i>Total Expenditures</i>	<u>17,560,160</u>	<u>4,110,619</u>	<u>21,670,779</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,303,492</u>	<u>35,390</u>	<u>2,338,882</u>
Other Financing Sources			
Proceeds of Financed Purchase Agreement	0	143,014	143,014
Transfers In	0	14,437	14,437
Transfers Out	(10,000)	(4,437)	(14,437)
<i>Total Other Financing Sources (Uses)</i>	<u>(10,000)</u>	<u>153,014</u>	<u>143,014</u>
<i>Net Change in Fund Balances</i>	2,293,492	188,404	2,481,896
<i>Fund Balance Beginning of Year</i>	16,315,192	2,041,289	18,356,481
<i>Fund Balance End of Year</i>	<u>\$18,608,684</u>	<u>\$2,229,693</u>	<u>\$20,838,377</u>

See accountants' compilation report
See accompanying notes to the basic financial statements

Buckeye Local School District
Ashtabula County, Ohio

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

Net Change in Fund Balances - Total Governmental Funds \$2,481,896

***Amounts reported for governmental activities in the
statement of activities are different because***

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

Capital Outlay	797,864	
Current Year Depreciation/Amortization	<u>(293,751)</u>	
Total		504,113

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	0	
Intergovernmental Grants	<u>334,911</u>	
Total		334,911

Other financing sources in the governmental funds increase long-term liabilities in the statement of net position.

Issuance of Financed Purchase Agreement		(143,014)
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Repayment of financed purchase agreement is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position.

111,486

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	1,560,864	
OPEB	<u>48,348</u>	
Total		1,609,212

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.

Pension	(1,737,850)	
OPEB	<u>375,936</u>	
Total		(1,361,914)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Interest on Financed Purchase Agreement		(3,651)
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Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

(23,333)

Change in Net Position of Governmental Activities \$3,509,706

See accountants' compilation report
See accompanying notes to the basic financial statements

Buckeye Local School District
Ashtabula County, Ohio

*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*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property & Other Local Taxes	\$6,622,889	\$7,007,876	\$7,007,876	\$0
Tuition and Fees	594,345	628,894	628,894	0
Interest	663,683	702,263	702,263	0
Extracurricular Activities	65,691	69,510	69,510	0
Rentals	6,252	6,615	6,615	0
Contributions and Donations	100	40	40	0
Intergovernmental	10,887,068	11,519,930	11,519,930	0
Miscellaneous	6,368	14,265	99,882	85,617
<i>Total Revenues</i>	<u>18,846,396</u>	<u>19,949,393</u>	<u>20,035,010</u>	<u>85,617</u>
Expenditures				
Current:				
Instruction:				
Regular	8,892,246	8,698,294	8,220,150	478,144
Special	2,437,108	2,383,830	2,133,136	250,694
Support Services:				
Pupils	1,286,950	1,258,929	1,149,201	109,728
Instructional Staff	479,699	469,451	420,407	49,044
Board of Education	27,666	27,061	24,710	2,351
Administration	1,618,487	1,583,185	1,481,718	101,467
Fiscal	649,666	636,038	579,325	56,713
Business	60,000	58,704	35,117	23,587
Operation and Maintenance of Plant	2,078,924	2,034,407	1,819,067	215,340
Pupil Transportation	1,514,400	1,481,304	1,365,779	115,525
Central	212,381	207,975	154,024	53,951
Extracurricular Activities	533,415	521,827	427,123	94,704
Capital Outlay	575,817	563,228	83,221	480,007
<i>Total Expenditures</i>	<u>20,366,759</u>	<u>19,924,233</u>	<u>17,892,978</u>	<u>2,031,255</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,520,363)</u>	<u>25,160</u>	<u>2,142,032</u>	<u>2,116,872</u>
Other Financing Sources (Uses)				
Advances In	0	1,756,001	1,756,001	0
Advances Out	0	(1,182,946)	(1,182,946)	0
Transfers Out	0	(10,000)	(10,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>563,055</u>	<u>563,055</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,520,363)</u>	<u>588,215</u>	<u>2,705,087</u>	<u>2,116,872</u>
<i>Fund Balance Beginning of Year</i>	<u>15,753,744</u>	<u>15,753,744</u>	<u>15,753,744</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>125,790</u>	<u>125,790</u>	<u>125,790</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$14,359,171</u>	<u>\$16,467,749</u>	<u>\$18,584,621</u>	<u>\$2,116,872</u>

See accountants' compilation report
See accompanying notes to the basic financial statements

Buckeye Local School District
Ashtabula County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 1 – Description of the School District and Reporting Entity

The District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a local district as defined by Section 3311 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District.

Average daily membership (ADM) as of July 1, 2023 was 1,653. The District employed 130 certified employees and 68 non-certificated employees. The District is supervised by the Ashtabula County Educational Service Center, a separate entity.

The District provides regular, vocational and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisition and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34”. The financial statements include all organizations, activities and functions for which the District is financially accountable. This report includes all activities considered by management to be part of the District by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

Section 2100 indicates that the reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity.

It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.

A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Management believes the financial statements included in this report represent all of the funds of the District over which the District is financially accountable.

Buckeye Local School District
Ashtabula County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 2 – Summary of Significant Accounting Policies

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

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net position and statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

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

B. Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The School District has no proprietary or fiduciary funds.

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 plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. The following is the School District's only major governmental fund:

Buckeye Local School District
Ashtabula County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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

The other governmental funds of the District account for grants and other resources, and capital projects of the District whose uses are restricted, committed or assigned to a particular purpose.

Fiduciary Fund Types Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. The School District has no private purpose trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District has no custodial funds.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenditures) in 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 of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

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

Buckeye Local School District
Ashtabula County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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 an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statement of net position and balance sheets will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 12 and 13.

In addition to liabilities, the statements of net position and balance sheets report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and 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 District unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position (see Notes 12 and 13).

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 governmental funds.

E. Budget and Budgetary Accounting

All governmental fund types are subject to annual expenditure budgets. The Board follows the procedures outlined below in establishing the expenditure budget data reported in the basic financial statements:

Buckeye Local School District
Ashtabula County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Tax Budget A tax budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by January 20th of each year, for the fiscal year commencing the following July 1st. The Board of Education normally adopts the Tax Budget at its regular board meeting in January. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

Estimated Resources The County Budget Commission certifies its actions to the District by March 1st. As part of this certification, the District receives the Official Certificate of Estimated Resources, which states the projected receipts of each fund. During the month of July, this certificate is amended to include any unencumbered balances from the preceding fiscal year.

Appropriations An annual appropriation measure must be passed by the Board of Education by October 1st of each year for the period July 1st to June 30th. Unencumbered appropriations lapse at year-end and the encumbered balance is carried forward to the succeeding fiscal year and need not be re-appropriated. The Board of Education usually adopts temporary appropriations at its regular board meeting in June. The Annual Appropriation Resolution is usually adopted at the September regular board meeting. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources and expenditures may not exceed appropriations in any fund at the object level.

Encumbrances As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded as the equivalent of expenditures on the budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

Lapsing of Appropriations At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not re-appropriated.

F. Cash and Investments

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

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 a NAV per share that approximates fair value.

For the fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the

Buckeye Local School District
Ashtabula County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

following business day(s), but only to the \$100 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 interest earnings. Interest revenue credited to the general fund during fiscal year 2023 amounted to \$702,263 which includes \$18,193 assigned from other funds.

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

G. Inventory

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

H. Prepaid Items

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

I. Capital Assets

The School District's only capital assets are classified as general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

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

All reported capital assets, except land, are depreciated/amortized. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation/amortization is computed using the straight-line method over the following useful lives:

Buckeye Local School District
Ashtabula County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Description	Estimated Lives
Land Improvements	20 years
Buildings and Improvements	20 - 50 years
Furniture	20 years
Equipment	5 - 20 years
Fixtures	15 years
Vehicles	8 - 10 years
Textbooks	5 - 10 years
Intangible Right to Use Lease	5 - 10 years

J. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental columns of the statement of net position.

K. Internal Activity

Transfers between governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for 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 basic financial statements.

L. 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 School District 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 all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for classified employees with five years of service and certified employees with ten years of service.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated

Buckeye Local School District
Ashtabula County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Absences Payable” in the fund or funds from which the employees who have accumulated the leave are paid.

M. 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, 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. Leases and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

N. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the 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” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education. Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the 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 District Board of Education.

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.

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

The 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.

O. 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 their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include operation of instructional services, food service operations and extracurricular activities.

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

P. 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, and pension 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 systems. 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 systems report investments at fair value.

Q. Estimates

The preparation of the 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.

Note 3 – Change in Accounting Principles

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

GASB Statement No. 91 aims to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by users, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the District.

GASB Statement No. 94 aims to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the District.

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GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the District.

GASB Statement No. 99 focuses on enhancing comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the District.

Note 4 – Budgetary Basis of Accounting

While the School District is reporting its financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the 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 (modified accrual) 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/expenses 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 assigned fund balances (GAAP basis).
4. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Budgetary revenues and expenditures of the uniform school supplies fund and public school support fund are reclassified to the general fund for GAAP reporting.

The following tables summarize the adjustments necessary to reconcile the GAAP basis Statement to the budgetary basis Statement for the general fund:

Net Change in Fund Balance	
GAAP Basis	\$2,293,492
Net Adjustment for Revenue Accruals	165,016
Advances In	1,756,001
Net Adjustment for Expenditure Accruals	42,442
Net Adjustment for Funds Budgeted as Special Revenue	6,342
Advances Out	(1,182,946)
Adjustment for Encumbrances	<u>(375,260)</u>
Budget Basis	<u><u>\$2,705,087</u></u>

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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 withdrawals on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education 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 that 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 Notes, Bills, Bonds, 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 obligations or securities 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, Government National Mortgage Association, and Student Loan Marketing 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 (STAROhio);
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

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requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

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

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

Deposits

Custodial Credit Risk 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 possession of an outside party. At June 30th, the carrying amount of all School District deposits was \$2,971,155 while \$1,861,817 of the School District's bank balance of \$3,017,817 was insured and collateralized. 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 had STAR Ohio as the only investment with an amount of \$19,597,826 and an average maturity less than six months. STAR Ohio is measured at net asset value per share.

Interest Rate Risk The School District has no investment policy that addresses the interest rate risk. 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 & Pool'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.

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

Concentration of Credit Risk The School District places no limit on the amount it may invest in any one issuer. At June 30, 2023, STAR Ohio represented 100 percent of all District investments.

Reconciliation of Cash and Cash Equivalents to the Statement of Net Position

The following is a reconciliation of cash and cash equivalents as reported in the footnote above to cash and cash equivalents as reported on the statement of net position as of June 30, 2023:

<u>Cash and Cash Equivalents per Note Disclosure:</u>		<u>Cash and Cash Equivalents per Statement of Net Position:</u>	
Carrying amount of deposits	\$2,971,155	Governmental Activities	\$22,568,981
Investments	19,597,826	Private-purpose trust funds	0
		Custodial funds	0
Total	<u>\$22,568,981</u>	Total	<u>\$22,568,981</u>

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 property and public utility property located in the School District. Real property tax revenue received in calendar year 2023 represent 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 2022 became a lien December 31, 2021, were levied after April 1, 2022 and are collected in 2023 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 Ashtabula 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.

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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

The amount available as an advance at June 30, 2023 was \$243,449 in the general fund and \$16,672 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2022, was \$468,001 in the general fund and 32,900 in the permanent improvement capital projects fund.

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

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

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$229,346,780	86.2%	\$230,311,550	82.1%
Public Utility Personal	36,725,270	13.8%	50,172,980	17.9%
	\$266,072,050	100.0%	\$280,484,530	100.0%
Tax Rate per \$1,000 of assessed valuation		\$ 45.31		\$ 45.31

Note 7 – Receivables

Receivables at June 30, 2023 consisted of accrued interest, accounts, taxes and intergovernmental grants and entitlements. 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 guarantee of Federal funds.

A summary of intergovernmental receivables follows:

ESSER Grant	\$375,426
Federal Lunch & Breakfast Subsidies	32,432
Title I Grant	13,753
Title I Supplemental	6,731
IDEA Part B Grant	2,108
Drug Free Schools Grant	1,641
IDEA Preschool Grant	189
Data Communications Grant	184
Total Intergovernmental Receivable	\$432,464

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For the Fiscal Year Ended June 30, 2023

Note 8 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Nonmajor Governmental	Total
<i>Nonspendable</i>			
Inventory	\$107,100	\$775	\$107,875
<i>Restricted for</i>			
Food Service Operations	0	793,264	793,264
College Scholarships	0	170,016	170,016
Student Activities	0	31,088	31,088
Extracurricular Activities	0	37,708	37,708
Student Wellness	0	4,204	4,204
Miscellaneous Federal Grants	0	277,916	277,916
Capital Improvements	0	914,327	914,327
Other Purposes	0	59,079	59,079
<i>Total Restricted</i>	<u>0</u>	<u>2,287,602</u>	<u>2,287,602</u>
<i>Committed to</i>			
Capital Improvements	0	26,547	26,547
<i>Assigned to</i>			
Other Purposes	104,617	0	104,617
Encumbrances	246,341	0	246,341
Subsequent Year Appropriations	1,674,754	0	1,674,754
<i>Total Assigned</i>	<u>2,025,712</u>	<u>0</u>	<u>2,025,712</u>
<i>Unassigned (Deficit)</i>	<u>16,475,872</u>	<u>(85,231)</u>	<u>16,390,641</u>
<i>Total Fund Balances</i>	<u><u>\$18,608,684</u></u>	<u><u>\$2,229,693</u></u>	<u><u>\$20,838,377</u></u>

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 9 – Capital Assets

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

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
Capital Assets, not being depreciated:				
Land	\$402,305	\$0	\$0	\$402,305
Construction in Progress	54,888	143,014	0	197,902
<i>Total Capital Assets, not being depreciated:</i>	<u>457,193</u>	<u>143,014</u>	<u>0</u>	<u>600,207</u>
Capital Assets, being depreciated:				
Land Improvements	1,457,698	55,458	0	1,513,156
Buildings and Improvements	6,497,566	468,905	0	6,966,471
Furniture, Equipment and Fixtures	4,095,388	130,487	0	4,225,875
Vehicles	1,715,730	0	0	1,715,730
Textbooks	2,088,314	0	0	2,088,314
Total Capital Assets, being depreciated	<u>15,854,696</u>	<u>654,850</u>	<u>0</u>	<u>16,509,546</u>
Less Accumulated Depreciation:				
Land Improvements	(1,235,598)	(20,882)	0	(1,256,480)
Building and Improvements	(6,275,935)	(38,876)	0	(6,314,811)
Furniture, Equipment and Fixtures	(3,764,999)	(94,103)	0	(3,859,102)
Vehicles	(1,470,113)	(70,989)	0	(1,541,102)
Textbooks	(1,984,964)	(68,901)	0	(2,053,865)
<i>Total Accumulated Depreciation</i>	<u>(14,731,609)</u>	<u>(293,751)</u>	<u>0</u>	<u>(15,025,360)</u>
<i>Total Capital Assets being depreciated, net</i>	<u>1,123,087</u>	<u>361,099</u>	<u>0</u>	<u>1,484,186</u>
Governmental Activities Capital Assets, Net	<u>\$1,580,280</u>	<u>\$504,113</u>	<u>\$0</u>	<u>\$2,084,393</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$118,919
Support Services:	
Pupil	2,880
Instructional Staff	6,740
Administration	419
Operation and Maintenance of Plant	17,680
Pupil Transportation	88,446
Operation of Non-Instructional Services	11,575
Extracurricular Activities	47,092
Total Depreciation Expense	<u>\$293,751</u>

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 10 – Interfund Receivable/Payable

The interfund receivable/payable consisted of the following at June 30, 2023, as reported on the fund financial statements:

	Interfund Receivable	Interfund Payable
Major Governmental Fund:		
General	\$1,182,946	\$0
Non-major Governmental Funds:		
Building Fund	0	290,694
Miscellaneous State Grants	0	180,000
ESSER	0	623,711
IDEA Part B	0	2,108
Drug Free Schools	0	75
Miscellaneous Federal Grants	0	86,358
Total	\$1,182,946	\$1,182,946

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received, which is expected to be within one year.

Note 11 – Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Only administrative and support personnel who are under a full year contract (11 and 12 month) are eligible for vacation time. The number of days granted are determined by an employees' length of service with the District.

Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Any vacation time which is unused as of the employee's anniversary date is expired and not available for use in a subsequent year unless approved by the superintendent. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. The classified personnel accumulate vacation based on the following schedule:

Years of Service	Vacation Weeks
1-8	2
9-13	3
14-beyond	4

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave shall accumulate during active employment on a continuous year-to-year basis; certified employees, 295 days and classified employees, 285 days.

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For the Fiscal Year Ended June 30, 2023

For all employees, retirement severance is paid to each employee retiring from the District at a per diem rate of the annual salary at the time of retirement if the employee has been employed by the District for a minimum of ten consecutive years at the time of retirement for certified personnel and a minimum of five consecutive years for classified personnel. Any employee receiving retirement severance pay shall be entitled to a dollar amount equivalent to one-fourth of all accumulated sick leave credited to that employee up to 75 days for classified employees and for certified employees there is no max.

Note 12 – Defined Benefit Pension Plans

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

A. Net Pension Liability/Net OPEB Liability/(Asset)

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

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

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

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

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*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

B. School Employees Retirement System

Plan Description - District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. Established in 1937, SERS provides retirement, disability, and survivor benefits to non-teaching employees of Ohio's public K-12 school districts. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA, is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for calendar years 2018, 2019 and 2020. SERS approved a 0.5 percent COLA for eligible retirees and beneficiaries for calendar year 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the 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 District's contractually required contribution to SERS was \$364,729 for fiscal year 2023. Of this amount \$187,464 is reported as an intergovernmental payable.

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C. State Teachers Retirement System

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

The CO Plan offers features of both the DB Plan and the DC Plan. In the CO 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 CO Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty and after termination of employment.

New members who choose the DC plan or CO 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.

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

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

The District's contractually required contribution to STRS was \$1,196,135 for fiscal year 2023. Of this amount \$210,796 is reported as an intergovernmental payable.

D. 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 District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability			
Prior Measurement Date	0.06816430%	0.06380663%	
Proportion of the Net Pension Liability			
Current Measurement Date	0.06974710%	0.06403207%	
Change in Proportionate Share	0.00158280%	0.00022544%	
Proportionate Share of the Net			
Pension Liability	\$3,772,466	\$14,234,410	\$18,006,876
Pension Expense	\$277,531	\$1,460,319	\$1,737,850

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

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	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$152,788	\$182,217	\$335,005
Net difference between projected and actual earnings on pension plan investments	0	495,329	495,329
Change of Assumptions	37,223	1,703,432	1,740,655
Change in Proportionate Share	106,267	33,720	139,987
District contributions subsequent to the measurement date	364,729	1,196,135	1,560,864
Total Deferred Outflows of Resources	\$661,007	\$3,610,833	\$4,271,840
Deferred Inflows of Resources			
Differences between expected and actual experience	\$24,766	\$54,452	\$79,218
Net difference between projected and actual earnings on pension plan investments	131,643	0	131,643
Change of Assumptions	0	1,282,194	1,282,194
Change in Proportionate Share	0	262,142	262,142
Total Deferred Inflows of Resources	\$156,409	\$1,598,788	\$1,755,197

\$1,560,864 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	\$93,082	(\$66,309)	\$26,773
2025	16,074	(137,429)	(121,355)
2026	(188,055)	(423,954)	(612,009)
2027	218,768	1,443,602	1,662,370
Total	\$139,869	\$815,910	\$955,779

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. Future benefits for all current plan members were projected through 2132.

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:

Actuarial Cost Method	Entry Age Normal (Level Percentage of Payroll, Closed)
Inflation	2.40 Percent
Future Salary Increases, Including Inflation	3.25 Percent to 13.58 Percent
Investment Rate of Return	7.0 Percent, Net of Investment Expense, Including Inflation
COLA or Ad hoc COLA	2.0 Percent, on and after April 1, 2018, COLA's for future retirees will be delayed for 3 years following commencement

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

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

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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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) %
U.S. Equity	24.75	5.37
Non-U.S. Equity Developed	13.50	6.22
Non-U.S. Equity Emerging	6.75	8.22
Fixed Income/Global Bond	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategies	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.0 percent. The discount rate determination does not use a mechanical bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 22-year amortization period of the unfunded actuarial accrued liability. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.0 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. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments was 28.18 percent.

Sensitivity of the 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 7.0 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 (6.0 percent), or one percentage point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's Proportionate Share of the Net Pension Liability	\$5,552,889	\$3,772,466	\$2,272,483

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Projected Salary Increases	Varies by Service from 2.5% to 8.5%
Investment Rate of Return	7.0 Percent, Net of Investment Expenses, Including Inflation
Payroll Increases	3.00 Percent
Cost of Living Adjustments (COLA)	0 Percent

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Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, 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 the latest available actuarial experience study which is for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

Asset Class	Target Allocation*	Long-Term Expected Rate of Return**
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Fixed Income	22.00	1.75
Alternatives	19.00	7.38
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	7.00 %

*Target allocation percentage is effective as of 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 Ohio's 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 7.0 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 7.0 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.0 percent, as well as what the 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 (6.0 percent) or one-percentage-point higher (8.0 percent) than the current rate:

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	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's Proportionate Share of the Net Pension Liability	\$21,503,011	\$14,234,410	\$8,087,423

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

E. 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/State Teachers Retirement System of Ohio. As of June 30, 2023, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

Note 13 – Defined Benefit Other Postemployment Benefit (OPEB) Plans

See note 12 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The 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. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

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Funding Policy - State statute permits SERS to fund health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 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 District's surcharge obligation was \$48,348.

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 District's contractually required contribution to SERS was \$48,348 for fiscal year 2023, all of which was 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. Medicare Part B premium reimbursements will be continued indefinitely. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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

OPEB Liabilities/(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/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/(asset) was based on the 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:

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	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset)			
Prior Measurement Date	0.07020400%	0.06380663%	
Proportion of the Net OPEB Liability (Asset)			
Current Measurement Date	0.07131100%	0.06403207%	
Change in Proportionate Share	0.00110700%	0.00022544%	
Proportionate Share of the Net OPEB Liability (Asset)	\$1,001,496	(\$1,658,003)	(\$656,507)
OPEB Expense	(\$72,137)	(\$303,799)	(\$375,936)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$8,419	\$24,037	\$32,456
Net difference between projected and actual earnings on OPEB plan investments	5,208	28,863	34,071
Change of Assumptions	159,298	70,626	229,924
Change in Proportionate Share	89,014	0	89,014
District contributions subsequent to the measurement date	48,348	0	48,348
Total Deferred Outflows of Resources	\$310,287	\$123,526	\$433,813
Deferred Inflows of Resources			
Differences between expected and actual experience	\$640,630	\$249,006	\$889,636
Change of Assumptions	411,121	1,175,684	1,586,805
Change in Proportionate Share	16,541	10,040	26,581
Total Deferred Inflows of Resources	\$1,068,292	\$1,434,730	\$2,503,022

\$48,348 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	(\$188,829)	(\$385,290)	(\$574,119)
2025	(184,847)	(379,508)	(564,355)
2026	(161,101)	(178,630)	(339,731)
2027	(98,070)	(74,461)	(172,531)
2028	(64,277)	(97,014)	(161,291)
Thereafter	(109,229)	(196,301)	(305,530)
Total	(\$806,353)	(\$1,311,204)	(\$2,117,557)

Actuarial Assumptions - SERS

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

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

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

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

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.0 percent net of investment expense, including inflation
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
Medical Trend Assumption	
Medicare	7.00 to 4.40 percent

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

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

The long-term 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 on April 15, 2022. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.0 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 12 for details.

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, 2022 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 state statute contribution rate of 1.50 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic pension 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 determination of the SEIR for both the June 30, 2021 and the June 30, 2022 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 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 (6.0% decreasing to 3.40%) and higher (8.0% decreasing to 5.40%) than the current rate (7.0 percent decreasing to 4.40 percent).

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	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
District's proportionate share of the net OPEB liability (asset)	\$1,243,873	\$1,001,496	\$805,832
	1% Decrease (6.0 % decreasing to 3.40 %)	Current Trend Rate (7.0% decreasing to 4.40 %)	1% Increase (8.0 % decreasing to 5.40 %)
District's proportionate share of the net OPEB liability (asset)	\$772,327	\$1,001,496	\$1,300,820

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation are presented below:

Projected salary increases	Varies by Service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.0 percent, net of investment expenses, including inflation
Payroll Increases	3.0 percent
Discount Rate of Return	7.0 percent
Health Care Cost Trends:	
<i>Medical</i>	
Pre-Medicare	7.50 percent initial, 3.94 percent ultimate
Medicare	(68.78) percent initial, 3.94 percent ultimate
<i>Prescription Drug</i>	
Pre-Medicare	9.0 percent initial, 3.94 percent ultimate
Medicare	(5.47) percent initial, 3.94 percent ultimate

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

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

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

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 12.

Buckeye Local School District
Ashtabula County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Discount Rate The discount rate used to measure the total OPEB liability was 7.0 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care plan investments of 7.0 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 7.0 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 (6.0 percent) or one percentage point higher (8.0 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 (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net OPEB asset	(\$1,532,780)	(\$1,658,003)	(\$1,765,267)
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	(\$1,719,753)	(\$1,658,003)	(\$1,580,060)

Note 14 – Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The School District has addressed these various types of risk by purchasing a comprehensive insurance policy through various commercial carriers.

Professional liability insurance is maintained in the amount of \$1,000,000 for single occurrence and \$3,000,000 in the aggregate.

The School District maintains fleet insurance in the amount of \$15,000,000 for bodily injury and/or property damage liability for any one accident or loss with no aggregate limit plus an additional \$15,000,000 excess liability per occurrence and aggregate limit. In addition, the fleet policy includes \$1,000,000 in uninsured and underinsured motorists' coverage per occurrence. The School District maintains replacement cost insurance on buildings and contents in the amount of \$81,200,834.

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

Buckeye Local School District
Ashtabula County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

B. Employee Medical Benefits

The School District has contracted with the Ashtabula County Schools Council of Governments to provide employee medical/surgical, prescription drug, dental and vision benefits. The Ashtabula County Schools Council of Governments is organized under Chapter 167 of the Ohio Revised Code and is comprised of seven Ashtabula County school districts. Rates are set by the Ashtabula County Schools Council of Governments board of directors. The School District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow. Ashtabula County Schools Council of Governments is a separate and independent entity governed by its own set of by-laws and constitution. All assets and liabilities are the responsibility of the Council of Governments. The program operates as a full indemnity program with no financial liability (other than monthly premiums) or risk to the School District. The School District is not liable nor receives a cash balance of past claims upon departure from the pool.

C. Workers' Compensation

The District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), and insurance purchasing pool, which was established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School business Officials Workers' Compensation Group Rating Program (the Program) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool. The Executive Director of the OASBO, or his designee, serves as coordinator of the Program. Each year, the participating school districts pay an enrollment fee to the Program to cover the costs of administering the Program.

The intent of the GRP is to achieve the benefit of a reduced premium for the 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. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm Comp Management Inc., provides administrative, cost control and actuarial services to the GRP.

Note 15 – Contingencies

A. Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

Buckeye Local School District
Ashtabula County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

B. Litigation

The District is not party to any legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending at June 30, 2023.

C. School District Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, all ODE adjustments for fiscal year 2023 have been finalized.

Note 16 – Long-Term Obligations

A summary of changes in long-term obligations for the year ended June 30, 2023, are as follows:

	Outstanding 6/30/2022	Additions	Reductions	Outstanding 6/30/2023	Amounts Due in One Year
Governmental Activities					
Financed Purchases	\$133,433	\$143,014	(\$111,486)	\$164,961	\$111,967
Compensated Absences	1,121,791	93,318	(69,985)	1,145,124	56,534
<i>Total Before Net Pension & OPEB Liability</i>	<u>1,255,224</u>	<u>236,332</u>	<u>(181,471)</u>	<u>1,310,085</u>	<u>168,501</u>
Net Pension Liability:					
STRS	8,158,251	6,076,159	0	14,234,410	0
SERS	2,515,065	1,257,401	0	3,772,466	0
<i>Total Net Pension Liability</i>	<u>10,673,316</u>	<u>7,333,560</u>	<u>0</u>	<u>18,006,876</u>	<u>0</u>
Net OPEB Liability:					
SERS	1,328,668	0	(327,172)	1,001,496	0
Total Long-Term Liabilities	<u><u>\$13,257,208</u></u>	<u><u>\$7,569,892</u></u>	<u><u>(\$508,643)</u></u>	<u><u>\$20,318,457</u></u>	<u><u>\$168,501</u></u>

See Note 19 for information related to the finance purchase obligations.

Compensated absences will be paid from the general fund and the food service and Title I special revenue funds.

There is no repayment schedule for the net pension liability or the net OPEB liability; however, employer pension and OPEB contributions are made from the General Fund. For additional information related to the net pension liability and net OPEB liability see Note 12 and 13.

The School District's overall legal debt margin was \$25,243,608 with an unvoted debt margin of \$280,485 at June 30, 2023.

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

Note 17 – Jointly Governed Organizations and Related Organizations

Northeast Ohio Management Information Network (NEOMIN) NEOMIN is a jointly governed organization among various school districts in Trumbull and Ashtabula Counties. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the districts support NEOMIN based upon a per pupil charge.

Superintendents of the participating school districts are eligible to be voting members of the Governing Board which consists of ten voting members: the Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County school districts, three superintendents from Trumbull County school districts, and one treasurer from each of the aforementioned counties (non-voting members who must be employed by a participating school district, the fiscal agent, or NEOMIN). The degree of control exercised by any participating school district is limited to its representation on the Governing Board. A copy of NEOMIN's financial statements may be obtained from the Trumbull County Educational Service Center, 6000 Youngstown-Warren Road, Niles, Ohio 44446.

Kingsville Public Library The Kingsville Public Library (the Library) is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on the behalf of the Library, its role is limited to a ministerial function. The determination to request approval of tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Kingsville Public Library, Christine Stevens, Fiscal Officer, at 6006 Academy Street, Kingsville, Ohio 44048.

State Support Team (SST) – Region 5 The District participates in the State Support Team (SST), an Educational Regional Service System (ERSS). The mission of the SST is to provide regional districts with leadership, technical assistance and high quality professional development in the service areas of school improvement, literacy, early learning and school readiness and special education compliance. The 16 State Support Teams are responsible for the regional delivery of school improvement, literacy, special education compliance, and early learning and school readiness services to districts using a differentiated technical assistance structure of support based upon need. The teams work through the Office of Exceptional Children, Office of Literacy, Office of Early Learning and School Readiness and the Office of Field Relations by providing technical assistance and professional development. The SSTs include staff and services formerly provided by the Special Education Regional Resource Centers (SERRCs) and the Regional School Improvement Teams (RSITs).

House Bill 115 (HB 115) establishes the Educational Regional Service System (ERSS) and requires the creation of a coordinated, integrated and aligned system to support state and school districts efforts to improve school effectiveness and student achievement. It is the intent of the general assembly that the educational regional service system would reduce the unnecessary duplication of programs and services and provide for a more streamlined and efficient delivery of education services without reducing the availability of the services needed by school districts and schools. Financial information can be obtained by contacting the Treasurer at the Mahoning County Educational Service Center, 7320 North Palmyra Road, Canfield, Ohio 44406.

Buckeye Local School District
Ashtabula County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Ashtabula County Technical & Career Center The Ashtabula County Career & Technical Center (A-Tech) is a distinct political subdivision of the State of Ohio which provides vocational education to students. The A-Tech is operated under the direction of a Board consisting of one representative from each of the participating School Districts' elected boards. The degree of control exercised by the School District is limited to its representation on the Board. The Board is its own budgeting and taxing authority. The School District did not make any contributions in fiscal year 2023. Financial information can be obtained from Lindsey Elly, Treasurer at Ashtabula County Technical & Career Center, 1565 State Route 167, Jefferson, Ohio 44047.

Note 18 – Set Asides

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

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

	Capital Improvements
Set-Aside Restricted Balance as of June 30, 2022	\$0
Current Year Set-Aside Requirement	383,228
Qualifying Disbursements	0
Current Year Offsets	<u>(487,399)</u>
Total	<u><u>(\$104,171)</u></u>
Set-Aside Balance Carried Forward to Future Fiscal Years	<u><u>\$0</u></u>
Cash balance as of June 30, 2023	<u><u>\$0</u></u>

Although the District had qualifying disbursements and offsets during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement for future years. This negative balance is therefore not presented as being carried forward to future years.

Buckeye Local School District
Ashtabula County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 19 – Financed Purchases Payable from Direct Borrowing

In prior fiscal years, the School District entered into financed purchase agreements for the purchase of school busses and a lighting system. These obligations meet the criteria of a financed purchase agreement as defined by Governmental Accounting Standards Board Statement Number 87, “Leases” and have been recorded on the government-wide statements. The vehicles and lighting system have been capitalized in the amounts of \$284,372 and \$139,900, respectively, the present value of the minimum payments at the inception of the agreement.

In fiscal year 2022, the School District entered into a financed purchase agreement for HVAC improvements throughout District buildings. This obligation meets the criteria of a financed purchase agreement as defined by Governmental Accounting Standards Board Statement Number 87, “Leases” and has been recorded on the government-wide statements. The improvements to date have been capitalized in the amount of \$197,902, the amount of work completed as of June 30, 2023.

The assets acquired through financed purchases are as follows:

<i>Asset:</i>	<u>Governmental Activities</u>
Construction in Progress	\$197,902
Vehicles	284,372
Building Improvements	<u>139,900</u>
Historical Cost	622,174
Less: Accumulated Depreciation	<u>(423,923)</u>
Total Book Value as of June 30, 2023	<u><u>\$198,251</u></u>

The following is a schedule of the financed purchase obligation payments required under these obligations and the present value of the future minimum payments as of June 30, 2023:

Fiscal Year Ending June 30,	
2024	\$18,174
2025	18,174
2026	18,174
2027	<u>18,174</u>
Total Minimum Financed Purchase Payments*	72,696
Less: Amount Representing Interest*	<u>(8,348)</u>
Present Value of Minimum Financed Purchase*	<u><u>\$64,348</u></u>

*During fiscal year 2022 the District entered into a financed purchase agreement for HVAC renovations and improvements throughout various District buildings. The \$500,000 agreement was issued at 2.45 percent over 5 years; however, the project was still in progress at the end of the fiscal year, and only \$197,902 had been paid to contractors on the project. The District hopes to complete the project in fiscal year 2024 and will recognize the rest of the liability and corresponding capital improvements at that time. Since the financing has not yet been finalized, the repayment schedule is not included in the schedule of minimum financed purchase payments.

Buckeye Local School District
Ashtabula County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Note 20 – Public Entity Risk Pools

A. Ohio Association of School Business Officials Workers' Compensation Group Rating Program

The District participates in a group-rating program for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers' Compensation Group Rating Program (the Program) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool. The Executive Director of the OASBO, or his designee, serves as coordinator of the Program. Each year, the participating school districts pay an enrollment fee to the Program to cover the costs of administering the Program.

B. Ashtabula County Schools Council of Governments

The District has contracted with the Ashtabula County Schools Council of Governments ("the Council") to provide employee medical/surgical, prescription drug, dental and vision benefits. The Council is organized under Chapter 167 of the Ohio Revised Code and is comprised of seven Ashtabula County School districts. Rates are set by the Council's board of directors. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of claims flow. The Council is a separate and independent entity governed by its own set of by-laws and constitution. All assets and liabilities are the responsibility of the Council. The program is operated as a full indemnity program with no financial liability (other than monthly premiums) or risk to the District. The Council shall pay the run out claims for a withdrawing member. Any member which withdraws from the Council pursuant to the Council Agreement shall have no claim to the Council's assets.

Note 21 – Accountability

Fund balances at June 30, 2023 included the following individual fund deficits:

<u>Nonmajor Governmental Funds:</u>	<u>Deficit</u>
ESSER Fund	\$65,402
Title I Supplemental Fund	6,717
Title I Fund	13,112

The deficit fund balances in these funds are the result of adjustments for accrued liabilities. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur.

Note 22 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID- 19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2023, the District received Economic Security (CARES) Act funding. The District's investment portfolio and the investments of the pension and other employee benefit plans in which the District participates fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Buckeye Local School District
Ashtabula County, Ohio

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
School District's Proportion of the Net Pension Liability	0.06974710%	0.06816430%	0.06461570%	0.06661270%	0.06664880%	0.06702170%	0.07083730%	0.07074520%	0.07395900%	0.07395900%
School District's Proportionate Share of the Net Pension Liability	\$3,772,466	\$2,515,065	\$4,273,819	\$3,985,555	\$3,817,101	\$4,004,399	\$5,184,637	\$4,036,790	\$3,743,022	\$4,398,104
School District's Employee Payroll	\$2,809,929	\$2,285,179	\$2,265,286	\$2,263,207	\$2,067,714	\$2,044,172	\$1,977,000	\$3,254,484	\$2,161,299	\$2,035,686
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Employee Payroll	144.54%	110.06%	188.67%	176.10%	184.60%	195.89%	262.25%	124.04%	173.18%	216.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

Amounts presented as of the District's measurement date which is the prior fiscal year end.

The accompanying notes are an integral part of the required supplementary information.

Buckeye Local School District
Ashtabula County, Ohio

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
School District's Proportion of the Net Pension Liability	0.06403207%	0.06380663%	0.06486126%	0.06621707%	0.06685323%	0.06715882%	0.06973746%	0.07169819%	0.07246155%	0.07246155%
School District's Proportionate Share of the Net Pension Liability	\$14,234,410	\$8,158,251	\$15,694,117	\$14,643,507	\$14,633,561	\$15,953,722	\$23,343,230	\$19,815,283	\$17,625,157	\$20,994,971
School District's Employee Payroll	\$8,324,471	\$7,873,321	\$7,827,743	\$7,774,164	\$7,583,479	\$7,460,535	\$7,539,600	\$7,860,079	\$8,408,000	\$7,170,131
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Employee Payroll	170.99%	103.62%	200.49%	188.36%	192.97%	213.84%	309.61%	252.10%	209.62%	292.81%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.48%	77.40%	77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

Amounts presented as of the District's measurement date which is the prior fiscal year end.

The accompanying notes are an integral part of the required supplementary information.

Buckeye Local School District

Ashtabula County, Ohio

*Required Supplementary Information
Schedule of School District Pension Contributions
School Employees Retirement System of Ohio (SERS)
Last Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Pension Contribution	\$364,729	\$365,390	\$319,925	\$317,140
Pension Contributions in Relation to the Contractually Required Contribution	(\$364,729)	(\$365,390)	(\$319,925)	(\$317,140)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$2,605,207	\$2,609,929	\$2,285,179	\$2,265,286
Contributions as a Percentage of Employee Payroll	14.00%	14.00%	14.00%	14.00%

The accompanying notes are an integral part of the required supplementary information.

2019	2018	2017	2016	2015	2014
\$305,533	\$289,480	\$286,184	\$276,780	\$428,941	\$299,556
(\$305,533)	(\$289,480)	(\$286,184)	(\$276,780)	(\$428,941)	(\$299,556)
\$0	\$0	\$0	\$0	\$0	\$0
\$2,263,207	\$2,067,714	\$2,044,172	\$1,977,000	\$3,254,484	\$2,161,299
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

Buckeye Local School District

Ashtabula County, Ohio

*Required Supplementary Information
Schedule of School District Pension Contributions
State Teachers Retirement System of Ohio (STRS)
Last Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Pension Contribution	\$1,196,135	\$1,165,426	\$1,102,265	\$1,095,884
Pension Contributions in Relation to the Contractually Required Contribution	(\$1,196,135)	(\$1,165,426)	(\$1,102,265)	(\$1,095,884)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$8,543,821	\$8,324,471	\$7,873,321	\$7,827,743
Contributions as a Percentage of Employee Payroll	14.00%	14.00%	14.00%	14.00%

The accompanying notes are an integral part of the required supplementary information.

2019	2018	2017	2016	2015	2014
\$1,088,383	\$1,061,687	\$1,044,475	\$1,055,544	\$1,100,411	\$1,093,040
(\$1,088,383)	(\$1,061,687)	(\$1,044,475)	(\$1,055,544)	(\$1,100,411)	(\$1,093,040)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$7,774,164	\$7,583,479	\$7,460,535	\$7,539,600	\$7,860,079	\$8,408,000
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

Buckeye Local School District
Ashtabula County, Ohio

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
School District's Proportion of the Net OPEB Liability	0.07131100%	0.07020400%	0.06715240%	0.06833070%	0.06762960%	0.06811540%	0.06811540%
School District's Proportionate Share of the Net OPEB Liability	\$1,001,496	\$1,328,668	\$1,459,441	\$1,718,373	\$1,876,228	\$1,828,038	\$1,941,541
School District's Employee Payroll	\$2,609,929	\$2,285,179	\$2,265,286	\$2,263,207	\$2,067,714	\$2,044,172	\$1,977,000
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Employee Payroll	38.37%	58.14%	64.43%	75.93%	90.74%	89.43%	98.21%
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) Information prior to 2016 is not available.

Amounts presented as of the District's measurement date which is the prior fiscal year end.

The accompanying notes are an integral part of the required supplementary information.

Buckeye Local School District
Ashtabula County, Ohio

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
School District's Proportion of the Net OPEB Liability (Asset)	0.06403207%	0.06380663%	0.06486126%	0.06621707%	0.06655323%	0.06715882%	0.06973746%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$1,658,003)	(\$1,345,311)	(\$1,139,935)	(\$1,096,714)	(\$1,069,443)	\$2,620,289	\$3,591,671
School District's Employee Payroll	\$8,324,471	\$7,873,321	\$7,827,743	\$7,774,164	\$7,583,479	\$7,460,535	\$7,539,600
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Employee Payroll	-19.92%	-17.09%	-14.56%	-14.11%	-14.10%	35.12%	47.64%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	230.73%	174.73%	182.13%	174.74%	176.00%	47.10%	37.30%

(1) Information prior to 2016 is not available.

Amounts presented as of the District's measurement date which is the prior fiscal year end.

The accompanying notes are an integral part of the required supplementary information.

Buckeye Local School District

Ashtabula County, Ohio

*Required Supplementary Information
Schedule of School District OPEB Contributions
School Employees Retirement System of Ohio (SERS)
Last Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$48,348	\$46,655	\$44,720	\$43,617
Contributions in Relation to the Contractually Required Contribution	(\$48,348)	(\$46,655)	(\$44,720)	(\$43,617)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$2,605,207	\$2,609,929	\$2,285,179	\$2,265,286
Contributions as a Percentage of Employee Payroll	1.86%	1.79%	1.96%	1.93%

The accompanying notes are an integral part of the required supplementary information.

2019	2018	2017	2016	2015	2014
\$53,131	\$36,600	\$37,605	\$34,779	\$36,399	\$47,951
(\$53,131)	(\$36,600)	(\$37,605)	(\$34,779)	(\$36,399)	(\$47,951)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,263,207	\$2,067,714	\$2,044,172	\$1,977,000	\$3,254,484	\$2,161,299
2.35%	1.77%	1.84%	1.76%	1.12%	2.22%

Buckeye Local School District

Ashtabula County, Ohio

*Required Supplementary Information
Schedule of School District OPEB Contributions
State Teachers Retirement System of Ohio (STRS)
Last Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	\$0	\$0	\$0	\$0
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$8,543,821	\$8,324,471	\$7,873,321	\$7,827,743
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%

The accompanying notes are an integral part of the required supplementary information.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$0	\$0	\$0	\$0	\$0	\$84,080
\$0	\$0	\$0	\$0	\$0	(\$84,080)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$7,774,164	\$7,583,479	\$7,460,535	\$7,539,600	\$7,860,079	\$8,408,000
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

Buckeye Local School District
Ashtabula County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023*

Net Pension Liability

Changes in Assumptions – SERS

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc Cola. Prior to 2018, an assumption of 3 percent was used.

Beginning with fiscal year 2017, amounts reported 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 fiscal year 2016 and prior are presented below:

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016 & Prior</u>
Wage Inflation	3.00 Percent	3.25 Percent
Future Salary Increases, Including Inflation	3.50 Percent to 18.20 Percent	4.00 Percent to 22.00 Percent
Investment Rate of Return	7.50 Percent Net of Investment Expense, Including Inflation	7.75 Percent Net of Investment Expense, Including Inflation

Beginning with fiscal year 2017, mortality assumptions 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.

Fiscal Year 2022

- *Assumed rate of inflation was reduced from 3.00% to 2.40%
- *Payroll growth assumption was reduced from 3.50% to 1.75%
- *Assumed real wage growth was increased from 0.50% to 0.85%
- *Cost-of-Living-Adjustments was reduced from 2.50% to 2.00%
- *The discount rate was reduced from 7.50% to 7.00%

- *Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement and disability were updated to reflect recent experience.

- *Mortality among active members was updated to the following:
PUB-2010 General Amount Weighted Below Median Employee mortality table. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

- *Mortality among service retired members was updated to the following:
PUB-2010 General Employee Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

- *Mortality among contingent survivors was updated to the following:
PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

- *Mortality among disabled members was updated to the following:
PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Buckeye Local School District
Ashtabula County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023*

Net Pension Liability

Changes in Assumptions – SERS (continued)

Fiscal Year 2023

*Cost-of-Living-Adjustments was increased from 2.00% to 2.50%

Changes of Benefit and Funding Terms – SERS

In fiscal year 2019, post-retirement increases in benefits included the following changes:

*Members, or their survivors, retiring prior to January 1, 2018, receive a COLA increase of 3 percent of their base benefit on the anniversary of their initial date of retirement.

*Members, or their survivors, retiring on and after January 1, 2018, receive a COLA increase on each anniversary of their initial date of retirement equal to the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent, nor greater than 2.5 percent. COLAs are suspended for calendar years 2018, 2019, and 2020.

*Members, or their survivors, retiring on and after April 1, 2018, will have their COLA delayed for three years following their initial date of retirement.

Fiscal Year 2022-2023

None

Buckeye Local School District
Ashtabula County, Ohio

Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

Net Pension Liability

Changes in Assumptions - STRS

Beginning with fiscal year 2018, 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 year 2017 and prior are presented below:

	<u>Fiscal Year 2018</u>
Inflation	2.50 Percent
Projected Salary Increases	12.50 Percent at Age 20 to 2.50 Percent at Age 65
Investment Rate of Return	7.45 Percent, Net of Expenses, Including Inflation
Payroll Increases	3.00 Percent
Cost of Living Adjustments (COLA)	0 Percent, Effective July 1, 2017

	<u>Fiscal Year 2017 & Prior</u>
Inflation	2.75 Percent
Projected Salary Increases	12.25 Percent at Age 20 to 2.75 Percent at Age 70
Investment Rate of Return	7.75 Percent, Net of Expenses, Including Inflation
Payroll Increases	3.50 Percent
Cost of Living Adjustments (COLA)	2 Percent Simple applied as follows: For Members Retiring Before August 1, 2013 3 percent per year. For Members retiring August 1, 2013 or later, 2 percent COLA commences on 5th anniversary date

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

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

Fiscal Year 2022

The investment and discount rate of return changed from 7.45 percent to 7.0 percent.

Fiscal Year 2023

*The investment and discount rate remained at 7.0 percent.

*Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

Buckeye Local School District
Ashtabula County, Ohio

Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

Changes in Benefit Terms - STRS

There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal years 2019 - 2021.

Fiscal Year 2022-2023

None

Buckeye Local School District
Ashtabula County, Ohio

Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

Net OPEB Liability

Changes in Assumptions – SERS

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 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 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

Fiscal Year 2022

- *The discount rate was changed from 2.63% to 2.27%.
- *The investment rate of return was reduced from 7.50% to 7.00%.
- *Assumed rate of inflation was reduced from 3.00% to 2.40%
- *Payroll Growth Assumption was reduced from 3.50% to 1.75%
- *Assumed real wage growth was increased from 0.50% to 0.85%
- *Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- *Rate of health care participation for future retirees and spouses was updated to reflect recent experience.

- *Mortality among active members was updated to the following:
 PUB-2010 General Amount Weighted Below Median Employee mortality table.

- *Mortality among service retired members was updated to the following:
 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% for males and set forward 2 years and adjusted 81.35% for females.

- *Mortality among beneficiaries was updated to the following:
 PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

- *Mortality among disabled member was updated to the following:
 PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.

- *Mortality rates are projected using a fully generational projection with Scale MP-2020.

Buckeye Local School District
Ashtabula County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023*

Net OPEB Liability

Changes in Assumptions – SERS (continued)

Fiscal Year 2023

*The discount rate was changed from 2.27% to 4.08%.

*The health care trend rates were updated.

Changes of Benefit and Funding Terms – SERS

In fiscal year 2019, SERS' funding policy allowed a 2.0 percent health care contribution rate to be allocated to the Health Care fund. The 2.0 percent is a combination of 0.5 percent employer contributions and 1.5 percent surcharge.

In fiscal year 2020, SERS' funding policy allowed a 1.5 percent health care contribution rate to be allocated to the Health Care fund. The 1.5 percent is a combination of 0.0 percent employer contributions and 1.5 percent surcharge.

Fiscal Year 2022

SERS changed the Cost of Living Adjustment (COLA) of 2.5% to 2.0%.

Fiscal Year 2023

None

Buckeye Local School District
Ashtabula County, Ohio

Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

Net OPEB Liability

Changes in Assumptions – STRS OPEB

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

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

Fiscal Year 2022

In 2021 the investment and discount rate of return changed from 7.45 percent to 7.0 percent.

Fiscal Year 2023

Demographic assumptions were reviewed and adopted by the Board on February 17, 2022 as part of an experience study performed (report dated and accepted March 11, 2022) covering the period from July 1, 2015 to June 30, 2021, with changes going into effect June 30, 2022.

From Plan Year Ending June 30, 2022 to Plan Year Ending June 30, 2023, Medicare projected medical cost decreased 42%, the Medicare projected net pharmacy cost increased 6% and the premium charged to Medicare Eligible Retirees dropped 15%. The Non Medicare projected medical, pharmacy and premium charged to retirees increased 3%, slightly less than expected.

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.

Buckeye Local School District

Ashtabula County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2023*

For fiscal year 2021, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2021 to reflect the current price renewals. 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.

Fiscal Year 2022

The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.100 percent. The non-Medicare frozen subsidy base was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in current year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

Fiscal Year 2023

The change in the 2023 subsidy percentage and the base amount for all participants, went from 2.1% per year to 2.2% per year, max 30 years, as well as the changes in Primary Care Physician office visit copays, the PBM network changes for Medicare, and the increase of the Part B premium reimbursement to \$30 per month for all retirees and surviving spouses.