



OHIO AUDITOR OF STATE
KEITH FABER



VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY
JUNE 30, 2023

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**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	(1) Total Federal Expenditures	Total Noncash Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education</i>			
Pandemic EBT Administrative Costs	10.649	\$628	
Child Nutrition Cluster:			
School Breakfast Program	10.553	92,602	
National School Lunch Program	10.555	501,221	\$60,827
COVID-19 National School Lunch Program	10.555	73,241	
Total Child Nutrition Cluster		<u>667,064</u>	<u>60,827</u>
Total U.S. Department of Agriculture		<u>667,692</u>	<u>60,827</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed through the Ohio Department of Education</i>			
Special Education Cluster:			
Special Education - Grants to States	84.027	847,639	
Special Education - Preschool Grants	84.173	13,116	
Total Special Education Cluster		860,755	
COVID-19 Education Stabilization Fund	84.425D	449,058	
COVID-19 Education Stabilization Fund	84.425U	1,493,054	
Total COVID-19 Education Stabilization Fund		<u>1,942,112</u>	
Title I Grants to Local Educational Agencies	84.010	490,124	
Supporting Effective Instruction State Grants	84.367	114,709	
Student Support and Academic Enrichment Program	84.424	19,251	
Total U.S. Department of Education		<u>3,426,951</u>	
Total Expenditures of Federal Awards		<u><u>\$4,094,643</u></u>	<u><u>\$60,827</u></u>

(1) There were no pass through entity identifying numbers.

The accompanying notes are an integral part of this schedule.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE KEITH FABER



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

Vandalia-Butler City School District
Montgomery County
500 South Dixie Drive
Vandalia, Ohio 45377

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vandalia-Butler City School District, Montgomery County, (the School District) as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 21, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

December 21, 2023

OHIO AUDITOR OF STATE KEITH FABER



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

Vandalia-Butler City School District
Montgomery County
500 South Dixie Drive
Vandalia, Ohio 45377

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Vandalia-Butler City School District, Montgomery County, (the School District) as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our unmodified report thereon dated December 21, 2023. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Keith Faber
Auditor of State
Columbus, Ohio

December 21, 2023

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**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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**VANDALIA-BUTLER
CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**



**ANNUAL
COMPREHENSIVE FINANCIAL REPORT**

**FOR THE
FISCAL YEAR ENDED JUNE 30, 2023**

ANNUAL
COMPREHENSIVE FINANCIAL REPORT
OF THE
VANDALIA-BUTLER CITY
SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
FOR THE
FISCAL YEAR ENDED JUNE 30, 2023



PREPARED BY
TREASURER'S DEPARTMENT
MR. ERIC K. BEAVERS, TREASURER/CFO

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**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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INTRODUCTORY SECTION





December 21, 2023

Citizens of Vandalia-Butler City School District
and Members of the Vandalia-Butler Board of Education:

We are pleased to present the 2023 Annual Comprehensive Financial Report (ACFR) for the Vandalia-Butler City School District. This report, for the fiscal year ended June 30, 2023, contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the Vandalia-Butler City School District (the “School District”). The responsibility for the accuracy and completeness of all data presented, and the fairness of the presentation, rests with the School District, specifically with the School District Treasurer’s office.

Accounting Principles Generally Accepted in the United States of America (GAAP) also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The School District’s MD&A can be found immediately following the Independent Auditor’s Report.

DISTRICT OVERVIEW

The Vandalia-Butler City School District serves an area of 37 square miles in the northern part of Montgomery County, Ohio, encompassing Butler Township, the City of Vandalia, a portion of the City of Union, and a portion of the City of Dayton. The Dayton International Airport, located within the School District, comprises approximately 6.25 square miles of the total 37 square miles.

The area is located approximately 10 miles north of the City of Dayton at the “Crossroads of America” which was originally defined by the intersection of US Route 40 and US Route 25A but is now identified by the intersection of Interstate 70 and Interstate 75 – America’s coast-to-coast highways. With these major thoroughfares, Vandalia and Butler Township provide a desirable location for many families who work in the Dayton metropolitan area and provide for many businesses that provide goods and services throughout the country.

Education in the area began with the first school that formed in Butler Township in 1807. Additionally, the Village of Vandalia School District formed in 1869. A consolidated Butler and Vandalia School District formed in 1921 under the name Butler Township Schools. The consolidated school district operated from the Butler Township School Building built in 1921.

The current charter as the Vandalia-Butler City School District was adopted in 1956. For the 2023 fiscal year, the School District operates five school buildings: two elementary schools serving grades Kindergarten through grade 3 ; two middle schools serving grades 4 through 8; and, one high school serving grades 9 through 12. Pre-School is housed off-site at a local church via a partnership agreement.

SCHOOL DISTRICT ORGANIZATION AND REPORTING ENTITY

The School District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code. Under a locally elected five-member Board form of government, the School District provides educational services as authorized by its charter or further mandated by state and/or federal agencies. The Board of Education serves as the taxing authority, contracting body, and policy maker for the School District. In addition, the Board adopts the annual operating budget and approves all expenditures of School District monies. The Board appoints the Superintendent and Treasurer. As the chief administrative officer, the Superintendent is responsible for the development, supervision, and operation of the school programs and facilities and appoints all other personnel in the School District. As the chief financial officer, the Treasurer is responsible for maintaining financial records, acting as the custodian of all School District funds, and investing idle funds as specified by law. The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements of the School District are not misleading.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's Governing Board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise have access to the organization's resources; or (3) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Currently, the School District does not have any component units.

The School District is associated with the Southwestern Ohio Educational Purchasing Council (SOEPC), which is defined as a jointly governed organization. It is a purchasing cooperative comprised of over 126 school districts in 18 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. This organization is presented in Note 2.

The School District is associated with the Miami Valley Career Technology Center, which is defined as a jointly governed organization. It is a distinct political subdivision of the State of Ohio operating as a joint vocational school district. The purpose of the vocational school district is to provide vocational educational services to students of member districts. This organization is presented in Note 2.

In addition, the School District is associated with the Metropolitan Educational Technology Association (META) Solutions which is defined as a jointly governed organization. It is a computer consortium of area school districts sharing computer resources. The purpose of the association is to apply modern technology with the aid of computers and other electronic equipment to administrative instructional functions among member districts. This organization is presented in Note 2.

Lastly, the School District is a member of the Southwestern Ohio Educational Purchase Cooperative (EPC), which is composed of other public-school districts. One primary benefit is the Consortium for insurance benefits. Another benefit is for purchasing of day-to-day operational materials and supplies. Finally, the purchasing of school buses in compliance with Ohio Revised Code. This membership results in hundreds of thousand dollars of savings.

ECONOMIC CONDITION AND OUTLOOK

The Vandalia-Butler City School District serves the residents of the City of Vandalia and Butler Township, who despite lack of state dollars and removal of personal property from the tax base realize the importance of strong schools. 2022-2023 was the second year of the biennium state budget passed, which yielded reduced revenues with foundation payments (State Aid) by the new Fair School Funding Plan (FSF) formula. The nation is struggling with high inflation, shortage of workers, products, and supplies. Our community is not exempt from any of this nor is the school district. It is had impacts on most of our departments and operations.

Butler Township continues to experience some commercial growth in conjunction with declining real estate values. Among many new projects, York Commons is an 80-acre regional retail project located at the new I-75 Benchwood interchange, six miles north of downtown Dayton and within 10 minutes of the Dayton International Airport. The property is zoned B-3 allowing for most business enterprises. Tax incentives are being offered as Tax Incremental Financing Agreements (TIIFs) with school supported donation agreements to provide further appeal for commercial development in the Benchwood area and around the Dayton International Airport. Proctor & Gamble and Spectrum Products are the most recent additions to the Township with their respective centers. The School District has begun receiving income tax sharing revenues, with two additional revenue agreements beginning during FY2020, from the City of Dayton from this development.

The City of Vandalia is poised with property and tax incentives for continued economic growth. Similar to the township, they are offering business and residents modified infrastructure to attract more development. Their efforts have been successful with the recent addition of significant employers such as White Castle who opened a distribution facility in the School District. One of the School District's major roads (Dixie Drive) has been expanded and building options are available at choice locations including an area near the I-70, I-75 interchange; and next to the Dayton International Airport. Commercial property is also available on Northwood Road directly off of Interstate 75.

The valuation of real estate, both residential and commercial, had been reduced over the previous years, but are starting to see growth in valuation again. Montgomery County has completed their triennial update for calendar year 2020 and updated valuations will be reflected in tax collections payable in calendar year 2021, with valuation growth for the district. The Board of Revisions reviews reduction requests for both residential and commercial when submitted and the County Treasurer's Office has taken a more direct role in helping taxpayers enroll in payment plans when needed.

MAJOR INITIATIVES

Vandalia-Butler City Schools continues to maintain its high performing status from the state of Ohio while the targets, goals and requirements continue to change. The School District continues to improve as it examines weaknesses in student achievement/performance and design targeted interventions to better align our instruction and our financial resources. With the receipt of Federal ESSER grant monies coming to an end with FY2024, the district is implementing additional student supports for mental health and instructional losses, to help close the gaps resulting from the COVID-19 pandemic.

FINANCIAL INFORMATION

The School District's accounting system is organized on a fund basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from Accounting Principles Generally Accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

INTERNAL CONTROLS

The management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely derived from its implementations, and (2) the valuation of cost and benefits requires estimates and judgments by management.

The School District uses a fully automated accounting system as well as an automated system for payroll. These systems, coupled with the manual control procedures, ensure that the financial information generated is both accurate and reliable.

Assistance

As a recipient of Federal and State assistance, the School District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the School District.

Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level.

The School District maintains an encumbrance accounting system as a technique of accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated.

Financial Condition

The School District continues to prepare financial statements following GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 created basic financial statements for reports as follows:

Government-wide financial statements - These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statement distinguishes between those activities of the School District that are governmental and those that are considered business-type activities. The School District reports no business-type activities.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statement of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transaction on a basis of cash receipts, disbursements, and encumbrances.

Management Discussion and Analysis for the School District - This discussion is located in the financial section of this report following the audit opinion and provides an assessment of the School District finances and the outlook for the future.

OTHER INFORMATION

Independent Audit

An audit team from the independent Ohio Auditor of State's Office has performed this year's audit. The results of the audit are presented in the Independent Auditor's Report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Vandalia-Butler City School District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The Certificate of Achievement is the highest form of recognition for excellence in the state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The School District believes the current report continues to conform to the high standards required by the Certificate of Achievement program.

The Treasurer and the District were also awarded the Ohio Auditor of State Award with Distinction for the fiscal year also ending June 30, 2022. This is the highest form of recognition by the Ohio Auditor of State's office and less than 2% public entities receive this award annually.

Acknowledgements

Sincere appreciation is extended to the many people who have contributed their time and effort to prepare this report. In particular, special thanks to Leigh Anne Snow, the Assistant Treasurer who has managed the GAAP conversion process and audit for the School District. The members of the Treasurer's Office Staff are to be commended for their input and commitment. Finally, appreciation is extended to the firm of Julian and Grube, Inc. for the guidance and assistance in preparing this report.



Eric K. Beavers
Treasurer/CFO



Robert M. O'Leary
Superintendent



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Vandalia-Butler City School District
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

List of Principal Officials
June 30, 2023

ELECTED OFFICIALS

President, Board of Education	Mr. Daniel Pierron
Vice President, Board of Education	Mr. Rodney Washburn
Board of Education Member	Mr. Scott Fullam
Board of Education Member	Ms. Holly Herbst
Board of Education Member	Ms. Mary Kilsheimer

ADMINISTRATIVE OFFICIALS

Superintendent	Mr. Robert O’Leary
Treasurer/CFO	Mr. Eric Beavers
Director of Pupil Personnel and Curriculum	Mr. Brandon Hartley
Director of Human Resources and Operations	Mr. Russ Garman
Information Officer	Mr. Kyle Robbins

OFFICE OF THE TREASURER

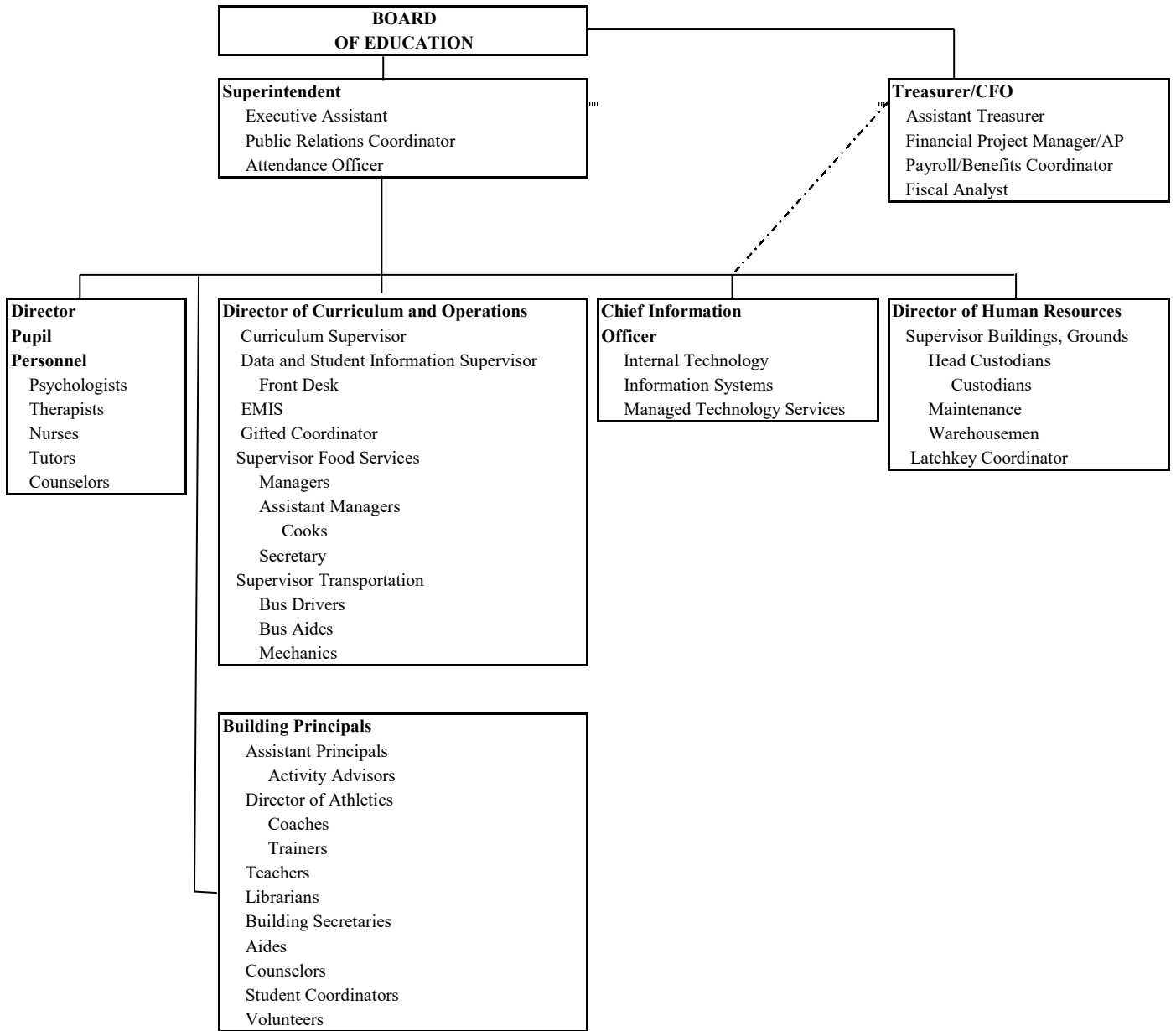
Treasurer/CFO	Mr. Eric Beavers
Assistant Treasurer	Ms. Leigh Anne Snow
Payroll Coordinator	Ms. Kari Magill
Fiscal Analyst	Ms. Robin Fisher

PUBLIC RELATIONS

Public Relations Coordinator	Ms. Mary Stephens
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**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**ORGANIZATIONAL CHART
JUNE 30, 2023**



FINANCIAL SECTION



OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

Vandalia-Butler City School District
Montgomery County
500 South Dixie Drive
Vandalia, Ohio 45377

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vandalia-Butler City School District, Montgomery County, Ohio (School District), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Vandalia-Butler City School District, Montgomery County, Ohio as of June 30, 2023, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The financial sections combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

December 21, 2023

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**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

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

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- In total, net position of governmental activities decreased \$2,643,543 which represents a 13.73% decrease from June 30, 2022's net position.
- General revenues accounted for \$37,706,251 in revenue or 83.55% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$7,421,763 or 16.45% for total revenues of \$45,128,014.
- The School District had \$47,771,557 in expenses related to governmental activities; \$7,421,763 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$37,706,251 were not adequate to provide for these programs.
- The School District has two major funds which include the general fund and the bond retirement fund. The general fund had \$36,306,920 in revenues and \$40,518,259 in expenditures. The general fund's fund balance decreased \$4,211,339 from \$9,390,955 to \$5,179,616.
- The bond retirement fund had \$3,591,643 in revenues and \$3,191,902 in expenditures. The bond retirement fund's fund balance increased \$399,741 from \$2,161,975 to \$2,561,716.

Using this Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the 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 School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. The School District has two major funds: the general fund and the bond retirement fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

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

In the statement of net position and the statement of activities, the Governmental Activities include the School District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The School District's statement of net position and statement of activities can be found on pages 17-18 of this report.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major governmental funds begins on page 13. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the bond retirement fund.

Governmental Funds

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 19-23 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 25-72 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School District's net pension liability and net OPEB liability/asset. The required supplementary information can be found on pages 74-94 of this report.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

The School District as a Whole

The statement of net position provides the perspective of the School District as a whole.

The table below provides a summary of the School District's net position at June 30, 2023 and June 30, 2022.

	Net Position		
	Governmental	Governmental	Percent
	Activities	Activities	
	<u>2023</u>	<u>2022</u>	<u>Change</u>
<u>Assets</u>			
Current and other assets	\$ 43,982,732	\$ 41,608,886	5.71 %
Net OPEB asset	3,353,115	2,782,440	20.51 %
Capital assets, net	<u>43,437,120</u>	<u>44,654,704</u>	(2.73) %
Total assets	<u>90,772,967</u>	<u>89,046,030</u>	1.94 %
<u>Deferred Outflows of Resources</u>			
Unamortized deferred charges on debt refunding	3,660,595	4,055,578	(9.74) %
Pension	8,951,302	9,352,481	(4.29) %
OPEB	<u>878,570</u>	<u>1,086,413</u>	(19.13) %
Total deferred outflows of resources	<u>13,490,467</u>	<u>14,494,472</u>	(6.93) %
<u>Liabilities</u>			
Current liabilities	5,382,591	4,269,171	26.08 %
Long-term liabilities:			
Due within one year	3,454,740	3,413,424	1.21 %
Due in more than one year:			
Net pension liability	36,064,052	21,928,109	64.46 %
Net OPEB liability	1,930,575	2,658,044	(27.37) %
Other amounts	<u>41,437,154</u>	<u>44,388,871</u>	(6.65) %
Total liabilities	<u>88,269,112</u>	<u>76,657,619</u>	15.15 %
<u>Deferred Inflows of Resources</u>			
Property taxes and PILOTs levied for next year	29,169,449	23,959,648	21.74 %
Pension	3,647,075	17,393,293	(79.03) %
OPEB	<u>5,076,087</u>	<u>4,784,688</u>	6.09 %
Total deferred inflows of resources	<u>37,892,611</u>	<u>46,137,629</u>	(17.87) %
<u>Net Position</u>			
Net investment in capital assets	6,499,091	5,393,449	20.50 %
Restricted	3,217,031	2,124,998	51.39 %
Unrestricted (deficit)	<u>(31,614,411)</u>	<u>(26,773,193)</u>	18.08 %
Total net position	<u>\$ (21,898,289)</u>	<u>\$ (19,254,746)</u>	13.73 %

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the 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 and OPEB and the net OPEB asset.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability/asset. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset to equal the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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/asset. 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.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2023 and June 30, 2022, the School District's liabilities plus deferred inflows of resources exceeded assets plus deferred outflows of resources by \$21,898,289 and \$19,254,746, respectively. Net position decreased \$2,643,543 from June 30, 2022's net position.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

Assets of the School District increased \$1,726,937 or 1.94%. Current assets increased \$2,373,846 or 5.71%. The most significant increases were in the area of property taxes receivable and payment in lieu of taxes receivable. The increase is due to a revaluation of property taxes and additional amounts expected to be collected to tax abatement programs. At year-end, capital assets represented 47.85% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, software, vehicles, and intangible right-to-use assets. Net investment in capital assets at June 30, 2023 and June 30, 2022, were \$6,499,091 and \$5,393,449, respectively. These capital assets are used to provide services to the students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities. The capital assets decreased due to current year depreciation/amortization of \$2,516,914 and disposals, net of accumulated depreciation/amortization of \$10,334 exceeding current year additions of \$1,309,664.

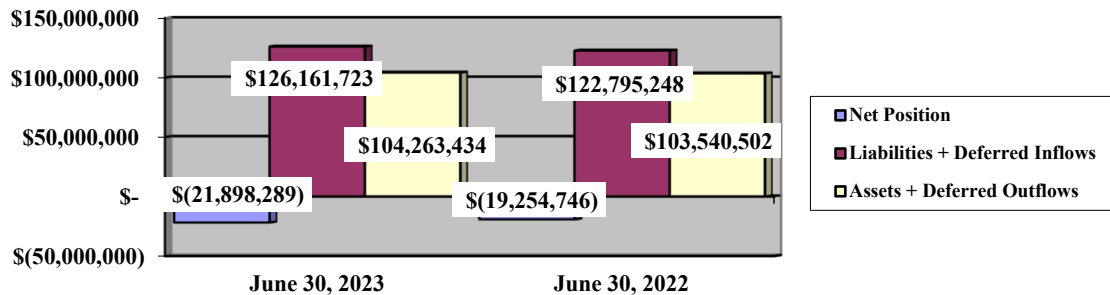
Total assets include a net OPEB asset reported by STRS. See Note 13 for more detail.

The net pension liability increased \$14,135,943 or 64.46% and deferred inflows of resources related to pension decreased \$13,746,218 or 79.03%. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Primarily, net investment income on investments at both pension systems were negative for the fiscal year 2022 measurement date that are used for the fiscal year 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous fiscal year's large positive investment returns.

A portion of the School District's net position, \$3,217,031, represents resources that are subject to external restriction on how they may be used. Of the restricted net position, \$1,863,965 is restricted for debt service. The remaining balance of unrestricted net position is (\$31,614,411).

The graph below shows the School District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2023 and June 30, 2022.

Governmental Activities



**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

The table below shows the change in net position for fiscal years 2023 and 2022.

Change in Net Position

	Governmental Activities <u>2023</u>	Governmental Activities <u>2022</u>	<u>Percentage Change</u>
<u>Revenues</u>			
Program revenues:			
Charges for services and sales	\$ 2,119,358	\$ 1,711,938	23.80 %
Operating grants and contributions	5,302,405	5,737,894	(7.59) %
General revenues:			
Property taxes	26,388,188	30,230,595	(12.71) %
Payment in lieu of taxes	2,960,865	1,973,871	50.00 %
Grants and entitlements not restricted	7,429,024	7,323,534	1.44 %
Investment earnings	333,903	(102,653)	425.27 %
Other	<u>594,271</u>	<u>530,573</u>	12.01 %
Total revenues	<u>45,128,014</u>	<u>47,405,752</u>	(4.80) %
<u>Expenses</u>			
Program expenses:			
Instruction:			
Regular	18,179,589	15,611,715	16.45 %
Special	8,692,494	7,226,547	20.29 %
Vocational	136,663	125,321	9.05 %
Other	909,479	1,294,829	(29.76) %
Support services:			
Pupil	3,925,289	3,565,496	10.09 %
Instructional staff	696,723	699,555	(0.40) %
Board of education	26,153	32,568	(19.70) %
Administration	2,925,170	2,479,487	17.97 %
Business and fiscal	1,405,844	1,348,830	4.23 %
Operations and maintenance	3,339,134	3,563,826	(6.30) %
Pupil transportation	2,662,415	2,364,991	12.58 %
Central	617,444	703,622	(12.25) %
Operations of non-instructional services	1,570,704	1,762,733	(10.89) %
Extracurricular activities	1,329,124	1,189,758	11.71 %
Interest and fiscal charges	<u>1,355,332</u>	<u>1,552,918</u>	(12.72) %
Total expenses	<u>47,771,557</u>	<u>43,522,196</u>	9.76 %
Change in net position	(2,643,543)	3,883,556	(168.07) %
Net position, beginning of year	<u>(19,254,746)</u>	<u>(23,138,302)</u>	16.78 %
Net position, end of year	<u>\$ (21,898,289)</u>	<u>\$ (19,254,746)</u>	13.73 %

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

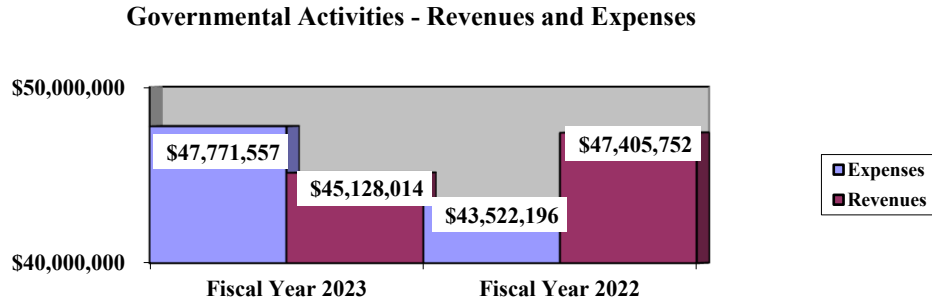
Governmental Activities

Net position of the School District’s governmental activities decreased \$2,643,543 in fiscal year 2023 and increased \$3,883,556 in fiscal year 2022. Total governmental expenses of \$47,771,557 were offset by program revenues of \$7,421,763 and general revenues of \$37,706,251 during fiscal year 2023. Program revenues supported 15.54% of the total governmental expenses during fiscal year 2023.

Revenues of the School District decreased \$2,277,738 or 4.80 %. The most significant decreases were in the area of property taxes. Property taxes decreased \$3,842,407. The decrease in property tax revenues is related to an increase in the amount of tax advance that was available to the School District from the County Auditor at June 30, 2023 versus June 30, 2022 and a revaluation of property taxes in the County.

Overall, expenses of the governmental activities increased approximately \$4 million. This increase is primarily the result of an increase in pension expense. Pension expense increase approximately \$3,580,250. This increase was the result of an increase in expenses incurred at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) due to a decrease in net investment income on investments compared to previous years.

The graph below presents the School District’s governmental activities revenues and expenses for fiscal years 2023 and 2022.



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state grants and entitlements.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

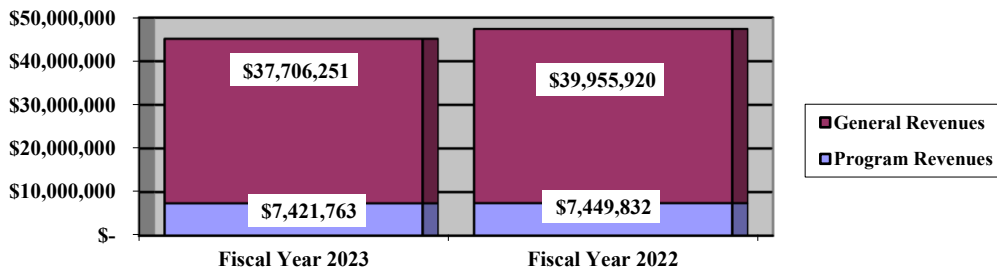
Governmental Activities

	Total Cost of Services <u>2023</u>	Net Cost of Services <u>2023</u>	Total Cost of Services <u>2022</u>	Net Cost of Services <u>2022</u>
Program expenses				
Instruction:				
Regular	\$ 18,179,589	\$ 17,038,809	\$ 15,611,715	\$ 14,603,575
Special	8,692,494	7,112,521	7,226,547	5,615,434
Vocational	136,663	134,888	125,321	124,304
Other	909,479	909,479	1,294,829	1,294,829
Support services:				
Pupil	3,925,289	2,664,752	3,565,496	2,288,252
Instructional staff	696,723	584,418	699,555	658,997
Board of education	26,153	26,153	32,568	32,568
Administration	2,925,170	2,893,835	2,479,487	2,450,430
Business and fiscal	1,405,844	1,405,844	1,348,830	1,348,830
Operations and maintenance	3,339,134	2,512,997	3,563,826	2,998,276
Pupil transportation	2,662,415	2,468,676	2,364,991	2,196,159
Central	617,444	530,927	703,622	687,422
Operations of non-instructional services	1,570,704	(104,009)	1,762,733	(450,056)
Extracurricular activities	1,329,124	815,172	1,189,758	670,426
Interest and fiscal charges	1,355,332	1,355,332	1,552,918	1,552,918
Total	<u>\$ 47,771,557</u>	<u>\$ 40,349,794</u>	<u>\$ 43,522,196</u>	<u>\$ 36,072,364</u>

The dependence upon tax and other general revenues for governmental activities is apparent, 90.25% of instruction activities were supported through taxes and other general revenues during fiscal year 2023. For all governmental activities, general revenue support was 84.46% in fiscal year 2023. The School District's taxpayers and unrestricted grants and entitlements are by far the primary support for School District students.

The graph below presents the School District's governmental activities revenues for fiscal years 2023 and 2022.

Governmental Activities - General and Program Revenues



**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

The School District's Funds

The School District's governmental funds reported a combined fund balance of \$8,075,451, which is lower than last year's total of \$12,069,719. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2023 and 2022.

	Fund Balance <u>June 30,2023</u>	Fund Balance <u>June 30,2022</u>	<u>Change</u>	Percentage <u>Change</u>
General	\$ 5,179,616	\$ 9,390,955	\$ (4,211,339)	(44.84) %
Bond Retirement	2,561,716	2,161,975	399,741	18.49 %
Other Governmental	<u>334,119</u>	<u>516,789</u>	<u>(182,670)</u>	(35.35) %
Total	<u>\$ 8,075,451</u>	<u>\$ 12,069,719</u>	<u>\$ (3,994,268)</u>	(33.09) %

General Fund

The general fund decreased \$4,211,339 during fiscal year 2023. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	2023 <u>Amount</u>	2022 <u>Amount</u>	<u>Change</u>	Percentage <u>Change</u>
<u>Revenues</u>				
Property taxes	\$ 23,404,964	\$ 27,238,829	\$ (3,833,865)	(14.07) %
Payment in lieu of taxes	2,960,865	2,180,735	780,130	35.77 %
Earnings on investments	331,890	(96,454)	428,344	(444.09) %
Intergovernmental	7,997,461	7,875,223	122,238	1.55 %
Other revenues	<u>1,611,740</u>	<u>1,757,552</u>	<u>(145,812)</u>	(8.30) %
Total	<u>\$ 36,306,920</u>	<u>\$ 38,955,885</u>	<u>\$ (2,648,965)</u>	(6.80) %
<u>Expenditures</u>				
Instruction	\$ 25,147,489	\$ 23,823,726	\$ 1,323,763	5.56 %
Support services	14,000,342	13,744,645	255,697	1.86 %
Operation of non-instructional services	122,212	211,596	(89,384)	(42.24) %
Extracurricular activities	815,171	809,136	6,035	0.75 %
Capital outlay	-	555,593	(555,593)	(100.00) %
Debt service	<u>433,045</u>	<u>335,896</u>	<u>97,149</u>	28.92 %
Total	<u>\$ 40,518,259</u>	<u>\$ 39,480,592</u>	<u>\$ 1,037,667</u>	2.63 %

Revenues of the general fund decreased by \$2,648,965 or 6.80%. Property taxes decreased \$3,833,865. The decrease in property tax revenues is due to a decrease in the amount of tax advance that was available to the School District from the County Auditor at June 30, 2023 versus June 30, 2022 and a revaluation of property tax values in the County.

Expenditures of the general fund increased \$1,037,667 or 2.63%. The most significant increase was in the area of instruction and support services which increased \$1,323,763 and \$255,697, respectively. The increase in instruction is related to an increase in wages and benefits paid to employees.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

Bond Retirement Fund

During fiscal year 2023, the bond retirement fund had revenues of \$3,591,643 and expenditures of \$3,191,902. The fund balance of the bond retirement fund increased \$399,741 from \$2,161,975 to \$2,561,716.

General Fund Budgeting Highlights

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

For the general fund, original revenues and other financing sources of \$33,962,633 were increased to \$37,386,283 in the final budget. The largest increases were in the areas of property taxes, payment in lieu of taxes, and intergovernmental - state which increased due to higher property tax collection estimates and higher than expected State foundation revenues, respectively. Actual revenues and other financing sources decreased \$173,755 to \$37,212,528.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$40,844,782 were decreased to \$40,573,655 in the final budget. Actual expenditures and other uses of \$40,015,042 were \$558,613 lower than final appropriations due to the School District's budget practices.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the School District had \$43,437,120 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right-to-use assets. This entire amount is reported in governmental activities.

The following table shows June 30, 2023 balances compared to June 30, 2022.

**Capital Assets at June 30
(Net of Depreciation/Amortization)**

	Governmental Activities	
	2023	2022
Land	\$ 1,679,701	\$ 1,679,701
Land improvements	2,352,279	2,641,030
Buildings and improvements	34,694,504	35,953,382
Furniture and equipment	3,227,799	2,569,419
Vehicles	986,774	1,273,416
Intangible right-to-use assets - Leases	433,415	537,756
Intangible right-to-use assets - SBITAs	62,648	-
Total	\$ 43,437,120	\$ 44,654,704

The capital assets decreased due to current year depreciation of \$2,516,914 and disposals, net of accumulated depreciation of \$10,334 exceeding current year additions of \$1,309,664.

See Note 8 to the basic financial statements for detail on the School District's capital assets.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

Debt Administration

At June 30, 2023 the School District had \$40,798,940 in general obligation bonds and \$481,677 in leases outstanding. Of this total, \$2,595,347 is due within one year and \$38,685,270 is due in greater than one year.

The following table summarizes the bonds and lease payable obligations outstanding.

Outstanding Debt, at Year End

	Governmental Activities <u>2023</u>	Governmental Activities <u>2022</u>
General Obligation Bonds	\$ 37,095,000	\$ 39,320,000
Premiums	2,669,061	3,088,575
Capital Appreciation Bonds	352,886	354,016
Accreted interest	681,993	583,320
Leases payable	<u>481,677</u>	<u>554,242</u>
Total	<u>\$ 41,280,617</u>	<u>\$ 43,900,153</u>

The School District maintained ratings of Aa3 and AA- with Moody's Investor Services and Standard & Poor's, respectively.

See Note 9 to the basic financial statements for detail on the School District's debt administration.

For the Future

During the 2022-2023 school year, the District experienced several significant events impacting the district and its finances. With the fall 2022 forecast submission, deficit balances were projected beginning with FY2025 through FY2027 along with the following events.

First, on December 13, 2022, the Office of Budget and School Funding notified the District of the potential to incur a deficit (balance) and written plan due by February 28, 2023. Due to the fact a deficit balance was projected for year 3 (FY2025), a board approved written plan to eliminate the deficit had to be created if a new operating money request would not be approved in time to eliminate the deficit. The Board approved this plan on February 21, 2023 and submitted it by the deadline.

Second, the Board passed the required resolutions to present a 1% EARNED school district income tax on the May 2, 2023 ballot. This is the first time an income tax has been presented for new operating funds. Unfortunately, the issue was not approved by 59.27% of voters being against the tax and 40.73% being for the tax. While it is not known what type of issue will be presented, the Board will return with a new operating fund request on the November 7, 2023 ballot.

Third, creating the Fiscal Oversight Written Plan for year 3 (FY25), the Administration and Board determined that additional cost reductions would be needed if no new money is passed by November 7, 2023. More importantly, all believed that the voters need to know of the potential programs and services that were in jeopardy, and need to be shared, when casting votes May 2, 2023. The additional cost reductions, to begin mostly in the 2024-2025 school year, estimated at \$2,848,436, were approved March 27, 2023.

Fourth, the buyer to purchase and develop the site of the former Murlin Heights Elementary School terminated the purchase agreement. While in the due diligence period and seeking a zoning change by the Township Zoning Council, the request was denied. Proceeds from the sale of this property, \$800,000, had been included in the ODE Written Financial Plan. The loss of this one-time revenue will be recouped from additional cost reductions.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

And lastly, it was reported in mid-April 2023 that the Ohio Department of Taxation (ODT) has asked Montgomery County Auditor, Karl Keith, to raise property tax values 37%. Even though a 37% increase in values does not result in a 37% increase in taxes, it has been difficult for community members to accept. The lingering and long-term effects from high inflation, shortages, and labor markets, has caused great angst among community members.

Since the earned income tax ballot issue was not approved, cost reductions are to begin with the start of the 2023-2024 school year. The amount of reductions are estimated at approximately \$2 million dollars, with additional attrition savings from resignations.

The Board of Education decided to return to the November 7, 2023 ballot. The type, amount and term of an issue was not known or decided upon at the close of the 2022-2023 school year, June 30, 2023.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Eric K. Beavers, Treasurer/CFO, Vandalia-Butler City School District, 500 South Dixie Drive, Vandalia, Ohio 45377.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 10,229,191
Receivables:	
Property taxes	29,624,772
Payment in lieu of taxes	3,271,733
Accrued interest	14,013
Intergovernmental	732,944
Prepayments	95,819
Materials and supplies inventory	518
Inventory held for resale	13,742
Net OPEB asset	3,353,115
Capital assets:	
Nondepreciable capital assets	1,679,701
Depreciable capital assets, net	41,757,419
Capital assets, net	43,437,120
Total assets	90,772,967
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	3,660,595
Pension	8,951,302
OPEB	878,570
Total deferred outflows of resources	13,490,467
Liabilities:	
Accounts payable	465,747
Accrued wages and benefits payable	4,033,792
Intergovernmental payable	105,345
Pension and postemployment benefits payable	686,566
Accrued interest payable	91,141
Long-term liabilities:	
Due within one year	3,454,740
Due in more than one year:	
Net pension liability	36,064,052
Net OPEB liability	1,930,575
Other amounts due in more than one year	41,437,154
Total liabilities	88,269,112
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	25,946,599
Payment in lieu of taxes levied for the next fiscal year	3,222,850
Pension	3,647,075
OPEB	5,076,087
Total deferred inflows of resources	37,892,611
Net position:	
Net investment in capital assets	6,499,091
Restricted for:	
OPEB	793,534
Debt service	1,863,965
Federally funded programs	1,050
Food service operations	389,131
Extracurricular programs	163,489
Other purposes	5,862
Unrestricted (deficit)	(31,614,411)
Total net position	\$ (21,898,289)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$ 18,179,589	\$ 552,555	\$ 588,225	\$ (17,038,809)
Special	8,692,494	120,194	1,459,779	(7,112,521)
Vocational	136,663	-	1,775	(134,888)
Other	909,479	-	-	(909,479)
Support services:				
Pupil	3,925,289		1,260,537	(2,664,752)
Instructional staff	696,723	3,535	108,770	(584,418)
Board of education	26,153	-	-	(26,153)
Administration	2,925,170	452	30,883	(2,893,835)
Fiscal	1,020,778	-	-	(1,020,778)
Business	385,066	-	-	(385,066)
Operations and maintenance	3,339,134	42,970	783,167	(2,512,997)
Pupil transportation	2,662,415	3,780	189,959	(2,468,676)
Central	617,444	-	86,517	(530,927)
Operation of non-instructional services:				
Food service operations	1,431,942	707,175	743,499	18,732
Other non-instructional services	138,762	174,745	49,294	85,277
Extracurricular activities	1,329,124	513,952	-	(815,172)
Interest and fiscal charges	1,355,332	-	-	(1,355,332)
Totals	\$ 47,771,557	\$ 2,119,358	\$ 5,302,405	(40,349,794)
General revenues:				
Property taxes levied for:				
General purposes				23,219,036
Debt service				3,169,152
Payments in lieu of taxes				2,960,865
Grants and entitlements not restricted to specific programs				7,429,024
Investment earnings				333,903
Miscellaneous				594,271
Total general revenues				<u>37,706,251</u>
Change in net position				(2,643,543)
Net position at beginning of year				<u>(19,254,746)</u>
Net position at end of year				<u>\$ (21,898,289)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>General</u>	<u>Bond Retirement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 7,307,878	\$ 2,181,107	\$ 740,206	\$ 10,229,191
Receivables:				
Property taxes	26,195,005	3,429,767	-	29,624,772
Payment in lieu of taxes	3,271,733	-	-	3,271,733
Accrued interest	14,013	-	-	14,013
Intergovernmental	220,567	-	512,377	732,944
Prepayments	95,245	-	574	95,819
Materials and supplies inventory	-	-	518	518
Inventory held for resale	-	-	13,742	13,742
Due from other funds	77,984	-	-	77,984
Total assets	<u>\$ 37,182,425</u>	<u>\$ 5,610,874</u>	<u>\$ 1,267,417</u>	<u>\$ 44,060,716</u>
Liabilities:				
Accounts payable	\$ 441,761	\$ -	\$ 23,986	\$ 465,747
Accrued wages and benefits payable	3,583,352	-	450,440	4,033,792
Compensated absences payable	126,503	-	4,888	131,391
Early retirement incentive payable	313,125	-	17,475	330,600
Intergovernmental payable	91,460	-	13,885	105,345
Pension and postemployment benefits payable	629,349	-	57,217	686,566
Due to other funds	-	-	77,984	77,984
Total liabilities	<u>5,185,550</u>	<u>-</u>	<u>645,875</u>	<u>5,831,425</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	22,964,338	2,982,261	-	25,946,599
Payment in lieu of taxes levied for the next fiscal year	3,222,850	-	-	3,222,850
Delinquent property tax revenue not available	622,093	66,897	-	688,990
Intergovernmental revenue not available	-	-	287,423	287,423
Accrued interest not available	7,978	-	-	7,978
Total deferred inflows of resources	<u>26,817,259</u>	<u>3,049,158</u>	<u>287,423</u>	<u>30,153,840</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	518	518
Prepays	95,245	-	574	95,819
Restricted:				
Debt service	-	2,561,716	-	2,561,716
Food service operations	-	-	450,049	450,049
Federally funded programs	-	-	1,050	1,050
Extracurricular	-	-	163,489	163,489
Other purposes	-	-	5,862	5,862
Assigned:				
Student instruction	423,088	-	-	423,088
Student and staff support	574,225	-	-	574,225
Subsequent year's appropriations	187,095	-	-	187,095
Other purposes	78,190	-	-	78,190
Unassigned (deficit)	3,821,773	-	(287,423)	3,534,350
Total fund balances	<u>5,179,616</u>	<u>2,561,716</u>	<u>334,119</u>	<u>8,075,451</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 37,182,425</u>	<u>\$ 5,610,874</u>	<u>\$ 1,267,417</u>	<u>\$ 44,060,716</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

Total governmental fund balances		\$	8,075,451
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			43,437,120
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	688,990	
Accrued interest receivable		7,978	
Intergovernmental receivable		287,423	
Total		984,391	984,391
Unamortized premiums on bonds issued are not recognized in the funds.			(2,669,061)
Unamortized amounts on refundings are not recognized in the funds.			3,660,595
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(91,141)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows - pension		8,951,302	
Deferred inflows - pension		(3,647,075)	
Net pension liability		(36,064,052)	
Deferred outflows - OPEB		878,570	
Deferred inflows - OPEB		(5,076,087)	
Net OPEB asset		3,353,115	
Net OPEB liability		(1,930,575)	
Total		(33,534,802)	(33,534,802)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(38,129,879)	
Leases payable		(481,677)	
Compensated absences		(3,149,286)	
Total		(41,760,842)	(41,760,842)
Net position of governmental activities		\$	(21,898,289)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>General</u>	<u>Bond Retirement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 23,404,964	\$ 3,195,036	\$ -	\$ 26,600,000
Intergovernmental	7,997,461	396,607	4,133,323	12,527,391
Investment earnings	331,890	-	50	331,940
Tuition and fees	665,251	-	3,000	668,251
Extracurricular	123,225	-	391,714	514,939
Rental income	42,970	-	-	42,970
Charges for services	186,023	-	707,175	893,198
Contributions and donations	-	-	1,310	1,310
Payment in lieu of taxes	2,960,865	-	-	2,960,865
Miscellaneous	594,271	-	-	594,271
Total revenues	<u>36,306,920</u>	<u>3,591,643</u>	<u>5,236,572</u>	<u>45,135,135</u>
Expenditures:				
Current:				
Instruction:				
Regular	16,108,437	-	586,915	16,695,352
Special	7,959,608	-	864,459	8,824,067
Vocational	169,961	-	-	169,961
Other	909,483	-	-	909,483
Support services:				
Pupil	2,802,233	-	1,121,833	3,924,066
Instructional staff	733,737	-	108,647	842,384
Board of education	26,155	-	-	26,155
Administration	2,835,798	-	30,832	2,866,630
Fiscal	989,961	39,975	-	1,029,936
Business	342,834	-	-	342,834
Operations and maintenance	3,305,173	-	783,167	4,088,340
Pupil transportation	2,386,741	-	-	2,386,741
Central	577,710	-	86,517	664,227
Operation of non-instructional services:				
Food service operations	-	-	1,401,435	1,401,435
Other non-instructional services	122,212	-	49,897	172,109
Extracurricular activities	815,171	-	385,540	1,200,711
Debt service:				
Principal retirement	372,565	1,926,130	-	2,298,695
Interest and fiscal charges	60,480	1,066,927	-	1,127,407
Accreted interest on capital appreciation bonds	-	158,870	-	158,870
Total expenditures	<u>40,518,259</u>	<u>3,191,902</u>	<u>5,419,242</u>	<u>49,129,403</u>
Net change in fund balances	(4,211,339)	399,741	(182,670)	(3,994,268)
Fund balances at beginning of year	9,390,955	2,161,975	516,789	12,069,719
Fund balances at end of year	<u>\$ 5,179,616</u>	<u>\$ 2,561,716</u>	<u>\$ 334,119</u>	<u>\$ 8,075,451</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY 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	\$	(3,994,268)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 1,309,664	
Current year depreciation	(2,516,914)	
Total		(1,207,250)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(10,334)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(211,812)	
Accounts	(162)	
Earnings on investments	2,013	
Intergovernmental	202,678	
Total		(7,283)
Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		2,457,565
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Change in accrued interest payable	5,087	
Accreted interest on capital appreciation bonds	(257,543)	
Amortization of bond premiums	419,514	
Amortization of deferred charges	(394,983)	
Total		(227,925)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		3,189,143
OPEB		101,137
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension		(3,980,047)
OPEB		697,765
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.		
		337,954
Change in net position of governmental activities	\$	(2,643,543)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 23,172,623	\$ 24,617,375	\$ 24,617,977	\$ 602
Intergovernmental	7,407,076	7,843,487	7,843,679	192
Investment earnings	92,552	356,329	372,372	16,043
Tuition and fees	497,871	467,776	468,522	746
Extracurricular	186,708	109,722	109,725	3
Rental income	47,206	42,619	42,970	351
Charges for services	10,948	11,278	11,278	-
Payment in lieu of taxes	2,098,950	3,561,342	3,271,733	(289,609)
Miscellaneous	358,397	359,069	456,444	97,375
Total revenues	<u>33,872,331</u>	<u>37,368,997</u>	<u>37,194,700</u>	<u>(174,297)</u>
Expenditures:				
Current:				
Instruction:				
Regular	16,441,682	16,179,742	15,965,905	213,837
Special	6,765,179	7,530,671	7,431,270	99,401
Vocational	138,060	172,844	170,563	2,281
Other	937,466	921,648	909,483	12,165
Support services:				
Pupil	2,983,657	2,914,896	2,875,930	38,966
Instructional staff	803,673	723,240	713,678	9,562
Board of education	31,803	42,189	41,602	587
Administration	2,799,470	2,874,075	2,814,258	59,817
Fiscal	1,295,257	1,069,689	1,055,570	14,119
Business	351,564	346,450	341,877	4,573
Operations and maintenance	3,708,179	3,517,938	3,471,405	46,533
Pupil transportation	2,553,834	2,541,219	2,507,676	33,543
Central	714,754	598,494	589,738	8,756
Operation of non-instructional services:				
Other non-instructional services	11,161	11,310	11,161	149
Extracurricular activities	742,512	752,324	742,394	9,930
Debt service:				
Principal	300,000	304,013	300,000	4,013
Interest and fiscal charges	41,531	28,862	28,481	381
Total expenditures	<u>40,619,782</u>	<u>40,529,604</u>	<u>39,970,991</u>	<u>558,613</u>
Excess of expenditures over revenues	<u>(6,747,451)</u>	<u>(3,160,607)</u>	<u>(2,776,291)</u>	<u>384,316</u>
Other financing sources (uses):				
Refund of prior year's expenditures	8,033	3,387	3,883	496
Transfers (out)	(200,000)	(44,051)	(44,051)	-
Advances in	6,070	-	-	-
Advances (out)	(25,000)	-	-	-
Sale of capital assets	76,199	13,899	13,945	46
Total other financing sources (uses)	<u>(134,698)</u>	<u>(26,765)</u>	<u>(26,223)</u>	<u>542</u>
Net change in fund balance	(6,882,149)	(3,187,372)	(2,802,514)	384,858
Fund balance at beginning of year	7,806,314	7,806,314	7,806,314	-
Prior year encumbrances appropriated	973,657	973,657	973,657	-
Fund balance at end of year	<u>\$ 1,897,822</u>	<u>\$ 5,592,599</u>	<u>\$ 5,977,457</u>	<u>\$ 384,858</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

Vandalia-Butler City School District (the “School 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 School District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. This Board of Education controls the School District’s five school buildings, one bus garage and one board office staffed by 86 non-certified and 208 certified full-time teaching personnel who provide services to 2,878 students and other community members.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The reporting entity has been defined in accordance with 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 reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service, and student related activities of the School District. The following activities are also included within the reporting entity:

Parochial schools within the School District boundaries - Saint Christopher School is operated through the Cincinnati Catholic Diocese. Current State legislation provides funding to this parochial school. These monies are received and disbursed on behalf of the parochial school by the treasurer of the School District, as directed by the parochial school. The activity of these State monies by the School District is reflected in a special revenue fund for financial reporting purposes.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s Governing Board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; or (3) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government’s financial statements incomplete or misleading. Based upon the application of these criteria, the School District has no component units. The basic financial statements of the reporting entity include only those of the School District (the primary government).

The following entities which perform activities within the School District boundaries for the benefit of its residents are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District:

City of Vandalia - The city government of Vandalia is a separate body politic and corporate. A mayor and a council are elected independent of any School District relationships and administer the provision of traditional city services. Council acts as the taxing and budgeting authority for city services.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Butler Township - The township government is also a separate body politic and corporate. A three member Board of Trustees are elected independent of any School District relationships and administers the provision of traditional township services. The Trustees act as the taxing and budgeting authority for township services.

Parent Teacher Association - The School District is not involved in the budgeting or management and is not responsible for any debt and has no influence over the organization.

The School District is associated with the Southwestern Ohio Educational Purchasing Council, the Miami Valley Career Technology Center and Metropolitan Educational Technology Association (META) Solutions which are defined as jointly governed organizations, and the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), which is an insurance purchasing pool.

JOINTLY GOVERNED ORGANIZATIONS

The following organizations are described due to their relationship to the School District:

Southwestern Ohio Educational Purchasing Council - The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing council made up of over 126 school districts in 18 counties. The purpose of the council is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC.

Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group.

During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the general fund. During fiscal year 2023, the School District paid \$3,417,290 to SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, at 303 Corporate Center Drive Suite 208, Vandalia, Ohio 45377.

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**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Miami Valley Career Technology Center - The Miami Valley Career Technology Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the fifteen participating school districts' elected boards, which possesses its own budgeting and taxing authority. One member is appointed from the following city and/or exempted village school districts: Carlisle, Miamisburg, Milton-Union, Northmont, Vandalia-Butler, Versailles, Huber Heights, Eaton, Trotwood, Tipp City, and West Carrollton. Three members are appointed from the Montgomery County Educational Service Center, one is appointed from the Miami County Educational Service Center, one from the Darke County Educational Service Center, and one from the Preble County Educational Service Center. To obtain financial information write to the Miami Valley Career Technology Center, at 6800 Hoke Road, Clayton, Ohio 45315.

Metropolitan Educational Technology Association (META) Solutions - The School District is a participant in META Solutions which is a computer consortium that resulted from the mergers between Tri-Rivers Educational Computer Association (TRECA), Metropolitan Educational Council (MEC), Metropolitan Dayton Educational Cooperative Association (MDECA), Southeastern Ohio Valley Voluntary Education Cooperative (SEOVEC), and South Central Ohio Computer Association (SCOCA). META Solutions develops, implements and supports the technology and instructional needs of schools in a cost-effective manner. META Solutions provides instructional, core, technology and purchasing services for its member districts. The Board of Directors consists of the Superintendents from eleven of the member districts. During fiscal year 2023, the School District paid META Solutions \$102,000 for services. Financial information can be obtained from META Solutions at 100 Executive Drive, Marion, Ohio 43302.

INSURANCE PURCHASING POOL

The School District participates in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP). The GRP's business and affairs are conducted by a fourteen member committee consisting of various EPC representatives that are elected by the general assembly. Either the superintendent or treasurer from each participating school district serves on the general assembly. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

B. Fund Accounting

The School District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific School District functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

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 purpose 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 are the School District's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bond retirement fund - The Bond Retirement Fund is used to account for resources that are restricted for the payment of general obligations bond principal and interest and certain other long-term obligations when the School District is obligated for the payment. The fund balance of this fund is restricted for debt service.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Other governmental funds of the School District are used to account for specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension 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 have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District's only fiduciary fund is a custodial fund. The School District's did not have any fiduciary funds at June 30, 2023.

C. Basis of Presentation

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

The statement of net position presents the financial condition of governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each business segment or 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 fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

D. Measurement Focus

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

E. 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. The fund financial statements are prepared using either the modified accrual basis of accounting for governmental funds or the accrual basis of accounting for fiduciary funds. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Nonexchange 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 fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditures 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 year-end: property taxes available as an advance, investment earnings, tuition, grants, and fees.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 12 and 13 for deferred outflows of resources related to net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes 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 of resources 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. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 12 and 13 for deferred inflows of resources related to net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Expenses and 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, except for (1) principal and interest on general long-term debt and capital lease obligations, which is recorded when due, and (2) the costs of accumulated unpaid vacation, personal leave and sick leave are reported as fund liabilities as payments come due each period upon the occurrence of employee resignations and retirements. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

F. Budgetary Process

All funds, other than the custodial fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2023.

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

G. Encumbrances

Encumbrance accounting is utilized by the School District for all funds in the normal course of operations for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to a commitment for a future expenditure and does not represent a liability. On the fund financial statements encumbrances outstanding at fiscal year-end are reported as components of restricted, committed or assigned fund balance for subsequent year expenditures for governmental funds. Encumbrances are reported as part of expenditures on a non-GAAP budgetary basis in the non-GAAP budgetary basis statement of revenues, expenditures and changes in fund balance.

H. Cash and Investments

Cash received by the School District is deposited into one of several bank accounts with individual fund balance integrity maintained in the School District's records. Balances of all funds are maintained in these accounts or are temporarily used to purchase certificates of deposit or investments. All investment earnings accrue to the general fund except those specifically related to those funds deemed appropriate according to Board of Education policy or unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal year 2023 amount to \$331,890 which includes \$93,663 assigned from other funds.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

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

The School District records all its investments at fair value. For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

I. Inventory

On government-wide financial statements, materials and supplies inventories are presented at cost, inventories held for resale are presented at lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method. At fiscal year end, because materials and supplies inventory are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

J. Capital Assets and Depreciation

All capital assets of the School District are general capital assets that are associated with governmental activities. General capital assets 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/amortized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The School District maintains a capitalization threshold of \$5,000. 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.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All reported capital assets, except land, are depreciated. 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:

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>
Land improvements	5 - 20 years
Buildings and improvements	10 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	7 - 15 years
Intangible right-to-use assets	5 years

The School District is reporting intangible right-to-use assets related to lease equipment and Subscription Based Information Technology Arrangements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term/subscription or the useful life of the underlying asset.

K. Interfund Balances

On the fund financial statements, other receivables related to interfund activity are classified as “due from other funds” and “due to other funds”. These amounts are eliminated in the governmental activities column of the statement of net position.

L. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepayments in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At fiscal year-end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

M. Compensated Absences

Vacation and personal leave benefits are accrued as a liability as the benefits are earned if the employee’s rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate its employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive severance benefits and those the School District has identified as probable of receiving payment in the future. The School District records an accrual for sick leave for all employees with ten years or more of service. The accrual amount is based upon accumulated sick leave and employees’ wage rates at year-end, taking into consideration any limits specified in the School District’s severance policy.

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 as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “compensated absences payable” in the fund from which the employee will be paid.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

N. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and special termination benefits 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 in the current year. Bonds and capital leases are recognized as a liability on the government-wide 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.

O. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

P. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally 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.

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the School 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.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Assigned - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes, but do not meet the criteria to be classified as restricted nor 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 policies (resolutions) of the School District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

Q. Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures 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 to the funds that initially paid for them are not presented on the financial statements. Transfers between funds in the fund financial statements are eliminated in the statement of activities. Interfund services provided and used are not eliminated in the process of consolidation.

R. Estimates

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

S. Bond Issuance Costs/Unamortized Bond Premium and Discount/Deferred Change on Debt Refunding

On the government-wide financial statements, bond issuance costs are expensed in the year they occur.

Bond premiums are deferred and amortized over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds. Capital appreciation bond discounts are accreted over the term of the bonds.

For bond refundings resulting in the defeasance of debt reported in the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter and is presented as a deferred outflow of resources on the statement of net position.

On the fund financial statements, issuance costs, and bond premiums are recognized in the current period.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

T. Pensions/Other Postemployment Benefits (OPEB)

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

U. Fair Value

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2023, the School District has implemented 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", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the School District.

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the School District.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 added SBITA assets to the basic financial statements and capital assets during fiscal year 2023.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the School District.

GASB Statement No. 99 to enhance 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 School District.

B. Deficit Fund Balances

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

<u>Nonmajor funds</u>	<u>Deficit</u>
ESSER	\$ 267,548
Title VI-B	13,497
Title I	2,562
Title II-A	3,816

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

The School District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the basic financial statements as "equity in pooled cash and cash equivalents". Statutes require the classification of monies held by the School District into three categories.

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

Inactive deposits are public deposits 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 which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts, including passbook accounts.

Interim monies may 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 or interest by the United States;

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair 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 that 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 items (1) and (2) above 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, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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. Except as noted above, 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

At fiscal year end, the School District had \$1,700 in undeposited cash on hand which is included on the financial statements of the School District as part of "equity in pooled cash and cash equivalents".

B. Deposits with Financial Institutions

At June 30, 2023, the carrying amount of all School District deposits was \$1,995,456 and the bank balance of all School District deposits was \$2,774,412. Of the bank balance, \$250,000 was covered by the FDIC and \$2,524,412 was either covered by the Ohio Pooled Collateral System or exposed to custodial credit as discussed below because those deposits were uninsured and could be uncollateralized.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) 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 fair value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State. For fiscal year 2023, the School District's financial institutions were approved for a reduced collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposits of money has been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

C. Investments

As of June 30, 2023, the School District had the following investments and maturities:

Measurement/ <u>Investment type</u>	Measurement <u>Value</u>	<u>Investment Maturities</u>				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair Value:</i>						
Commercial paper	\$ 1,092,422	\$ -	\$ 1,092,422	\$ -	\$ -	\$ -
FFCB	652,678	-	-	-	460,530	192,148
FHLB	955,493	-	379,706	-	116,432	459,355
FHLB DN	117,495	-	-	-	-	117,495
FHLMC	218,133	-	-	-	-	218,133
Negotiable CDs	669,486	243,237	426,249	-	-	-
U.S. Treasury Notes	441,760	-	156,606	141,488	-	143,666
U.S. Government money market	19,087	19,087	-	-	-	-
<i>Amortized Cost:</i>						
STAR Ohio	<u>4,065,481</u>	<u>4,065,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 8,232,035</u>	<u>\$ 4,327,805</u>	<u>\$ 2,054,983</u>	<u>\$ 141,488</u>	<u>\$ 576,962</u>	<u>\$ 1,130,797</u>

The weighted average maturity of investments is 0.68 years.

The School District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The School District's investments in commercial paper, federal agency securities (FHLB DN, FHLMC, FFCB, FHLB) and negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the School District's investment policy limits investment portfolio maturities to five years or less unless matched to specific obligation or debt of the School District.

Credit Risk: The School District's investments in commercial paper were rated P-1 by Moody's Investor Services. The School District's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio Law requires that STAR Ohio and the U.S. Government money market maintain the highest rating provided by at least one nationally recognized rating standard rating service. The School District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the School District's name. 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 that may be invested in any one issuer other than for commercial paper and banker's acceptances. The following table includes the percentage of each investment type held by the School District at June 30, 2023:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% to Total</u>
Commercial paper	\$ 1,092,422	13.27
FFCB	652,678	7.93
FHLB	955,493	11.61
FHLB DN	117,495	1.43
FHLMC	218,133	2.65
Negotiable CDs	669,486	8.13
U.S. Treasury Notes	441,760	5.37
U.S. Government money market	19,087	0.23
<i>Amortized Cost:</i>		
STAR Ohio	<u>4,065,481</u>	<u>49.39</u>
Total	<u>\$ 8,232,035</u>	<u>100.00</u>

D. Reconciliation of Cash to the Statement of Net Position

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

<u>Cash per note</u>	
Carrying amount of deposits	\$ 1,995,456
Investments	8,232,035
Cash on hand	<u>1,700</u>
Total	<u>\$ 10,229,191</u>
 <u>Cash per statement of net position</u>	
Governmental activities	<u>\$ 10,229,191</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 5 - INTERFUND TRANSACTIONS

Due to/from other funds consisted of the following at June 30, 2023, as reported on the fund statement:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 77,984</u>

The primary purpose of the amount due to the general fund from the nonmajor governmental fund was to eliminate negative cash balances. The amount will be repaid once cash is received.

Amounts due to/from between governmental funds are eliminated on the government-wide statements.

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. Real property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed values as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, 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 revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Public utility real and personal property taxes received in calendar year 2023 became a lien on December 31, 2021, were levied after April 1, 2022, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The School District receives property taxes from Montgomery 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 2024 operations. The amount available as an advance at June 30, 2023 was \$2,608,574 in the general fund and \$380,609 in the bond retirement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2022 was \$3,821,588 in the general fund and \$528,996 in the bond retirement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal 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 inflow of resources.

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

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 6 - PROPERTY TAXES – (Continued)

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

	2022 Second Half Collections		2023 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 671,931,090	97.25	\$ 675,851,070	97.09
Public utility personal	<u>18,986,300</u>	<u>2.75</u>	<u>20,241,070</u>	<u>2.91</u>
Total	<u>\$ 690,917,390</u>	<u>100.00</u>	<u>\$ 696,092,140</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation for:				
General	\$55.90		\$56.00	
Bond retirement	5.35		5.35	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2023 consisted of property taxes, payment in lieu of taxes (PILOTs), accrued interest 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 year guarantee of federal funds.

A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:

Property taxes	\$ 29,624,772
Payment in lieu of taxes	3,271,733
Accrued interest	14,013
Intergovernmental	<u>732,944</u>
Total	<u>\$ 33,643,462</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8 - CAPITAL ASSETS

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

	<u>Balance</u> <u>06/30/22</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/23</u>
Governmental activities:				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 1,679,701	\$ -	\$ -	\$ 1,679,701
Total capital assets, not being depreciated/amortized	<u>1,679,701</u>	<u>-</u>	<u>-</u>	<u>1,679,701</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	6,028,260	-	-	6,028,260
Buildings and improvements	59,780,800	-	-	59,780,800
Furniture and equipment	11,141,726	1,183,899	(10,334)	12,315,291
Vehicles	2,907,272	17,205	-	2,924,477
Intangible right-to-use assets:				
Lease equipment	555,593	-	-	555,593
SBITAs	<u>-</u>	<u>108,560</u>	<u>-</u>	<u>108,560</u>
Total capital assets, being depreciated/amortized	<u>80,413,651</u>	<u>1,309,664</u>	<u>(10,334)</u>	<u>81,712,981</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(3,387,230)	(288,751)	-	(3,675,981)
Buildings and improvements	(23,827,418)	(1,258,878)	-	(25,086,296)
Furniture and equipment	(8,572,307)	(515,185)	-	(9,087,492)
Vehicles	(1,633,856)	(303,847)	-	(1,937,703)
Intangible right-to-use assets:				
Lease equipment	(17,837)	(104,341)	-	(122,178)
SBITAs	<u>-</u>	<u>(45,912)</u>	<u>-</u>	<u>(45,912)</u>
Total accumulated depreciation/amortization	<u>(37,438,648)</u>	<u>(2,516,914)</u>	<u>-</u>	<u>(39,955,562)</u>
Governmental activities capital assets, net	<u>\$ 44,654,704</u>	<u>\$ (1,207,250)</u>	<u>\$ (10,334)</u>	<u>\$ 43,437,120</u>

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

<u>Instruction:</u>	
Regular	\$ 1,817,128
Special	375
Vocational	1,041
<u>Support services:</u>	
Instructional staff	18,479
Administration	21,181
Operations and maintenance	175,242
Pupil transportation	286,395
<u>Operation of non-instructional services:</u>	
Food service operations	45,567
Extracurricular activities	<u>151,506</u>
Total depreciation/amortization expense	<u>\$ 2,516,914</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 9 - LONG-TERM OBLIGATIONS

During the fiscal year 2023, the following changes occurred in governmental activities long-term obligations.

	Balance Outstanding <u>June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance Outstanding <u>June 30, 2023</u>	Amounts Due in <u>One Year</u>
Governmental Activities:					
2011 Energy Conservation Bonds					
Current Interest	\$ 390,000	\$ -	\$ (75,000)	\$ 315,000	\$ 75,000
Premium	11,263	-	(2,551)	8,712	-
2014 Refunding Bonds					
Current Interest	290,000	-	-	290,000	-
Premium	409,730	-	(63,854)	345,876	-
2014 Capital Appreciation Bonds					
Accreted Interest	2,037	-	(1,077)	960	608
	140,232	76,767	(98,923)	118,076	99,392
Series 2015 Refunding Bonds					
Current Interest	1,205,000	-	-	1,205,000	-
Premium	375,585	-	(85,038)	290,547	-
Capital Appreciation Bonds					
Accreted Interest	107	-	(53)	54	21
	83,987	79,611	(59,947)	103,651	59,979
General Obligation Bonds:					
Series 2016 Refunding Bonds					
Current Interest	645,000	-	(65,000)	580,000	65,000
Premium	643,496	-	(76,455)	567,041	-
Capital Appreciation Bonds					
Accreted Interest	23	-	-	23	-
	1,039	799	-	1,838	-
Series 2017A Refunding Bonds					
Current Interest	2,750,000	-	(890,000)	1,860,000	915,000
Premium	122,419	-	(35,829)	86,590	-
Capital Appreciation Bonds					
Accreted Interest	137,875	-	-	137,875	-
	164,049	47,799	-	211,848	-
Series 2017B Refunding Bonds					
Current Interest	5,175,000	-	(50,000)	5,125,000	50,000
Premium	483,620	-	(38,949)	444,671	-
Capital Appreciation Bonds					
Accreted Interest	213,974	-	-	213,974	-
	194,013	52,567	-	246,580	-
Series 2017C Energy Conservation Refunding					
Current Interest	935,000	-	(225,000)	710,000	230,000
Premium	46,204	-	(13,524)	32,680	-
Series 2017C Refunding Bonds					
Current Interest	5,955,000	-	(725,000)	5,230,000	785,000
Premium	553,005	-	(74,562)	478,443	-
Series 2021 Refunding Bonds					
Current Interest	21,975,000	-	(195,000)	21,780,000	210,000
Premium	443,253	-	(28,752)	414,501	-
Total General Obligation Bonds	<u>43,345,911</u>	<u>257,543</u>	<u>(2,804,514)</u>	<u>40,798,940</u>	<u>2,490,000</u>
Compensated Absences	3,240,942	845,651	(805,916)	3,280,677	528,793
Leases	554,242	-	(72,565)	481,677	105,347
Retirement Incentive	661,200	-	(330,600)	330,600	330,600
Net pension liability	21,928,109	14,135,943	-	36,064,052	-
Net OPEB liability	2,658,044	-	(727,469)	1,930,575	-
Total governmental activities	<u>\$ 72,388,448</u>	<u>\$ 15,239,137</u>	<u>\$ (4,741,064)</u>	<u>\$ 82,886,521</u>	<u>\$ 3,454,740</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

General Obligation and Refunding Bonds: See Note 9.A - 9.I for details.

Compensated Absences: The School District pays compensated absences primarily from the general fund.

Net Pension Liability and Net OPEB Liability/Asset: See Notes 12 and 13 for details. The School District pays obligations related to employee compensation from the fund benefitting from their services which is primarily the general fund.

A. Series 2011 General Obligation Energy Conservation Bonds

During fiscal year 2012, the School District issued \$999,833 in general obligation bonds to provide financing for various construction projects to improve energy conservation. The issue is comprised of both current interest bonds, par value \$970,000 and capital appreciation bonds, par value \$29,833. The interest rates on the current interest bonds range from 2.00% - 3.50%. The capital appreciation bonds matured December 1, 2017 (approximate equivalent interest rate 13.50%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2017 was \$65,000.

The following is a summary of the future debt service requirements to maturity for the series 2011 general obligation energy conservation bonds:

Fiscal Year Ending June 30,	2011 Energy Conservation Bonds		
	Current Interest Bonds		
	Principal	Interest	Total
2024	\$ 75,000	\$ 9,713	\$ 84,713
2025	75,000	7,088	82,088
2026	80,000	4,374	84,374
2027	85,000	1,487	86,487
Total	\$ 315,000	\$ 22,662	\$ 337,662

B. Series 2014 Refunding Bonds

During fiscal year 2015, the School District issued \$8,094,987 in general obligation bonds to refund \$8,095,000 of the Series 2009 General Obligation School Improvement Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. During fiscal year 2023, \$0 of the bonds were refunded by the Series 2021 Refunding Bonds. The balance of the refunded bonds outstanding at June 30, 2023 was \$8,095,000.

The issue is comprised of both current interest bonds, par value \$7,945,000 and capital appreciation bonds, par value \$149,987. The interest rates on the current interest bonds range from 3.50% - 4.00%. The remaining capital appreciation bonds mature December 1, 2020 through December 1, 2033 (approximate equivalent interest rate 66.23436%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds maturing December 1, 2016 through December 1, 2024 are \$100,000 each and the capital appreciation bonds maturing December 1, 2033 is \$875,000. Total accreted interest of \$118,076 has been included on the statement of net position.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The reacquisition price exceeded the net carrying amount of the old debt by \$1,096,387. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2037. This advance refunding was undertaken to reduce the combined total debt service payments by \$578,414 and resulted in an economic gain of \$338,792.

The following is a summary of the future debt service requirements to maturity for the series 2014 refunding bonds:

Fiscal Year Ending June 30,	<u>2014 Refunding Bonds</u>					
	<u>Current Interest Bonds</u>			<u>Capital Appreciation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 10,150	\$ 10,150	\$ 608	\$ 99,392	\$ 100,000
2025	-	10,150	10,150	343	99,657	100,000
2026	70,000	8,925	78,925	-	-	-
2027	70,000	6,475	76,475	-	-	-
2028	75,000	3,938	78,938	-	-	-
2029 - 2033	75,000	1,312	76,312	-	-	-
2034 - 2038	-	-	-	9	874,991	875,000
Total	<u>\$ 290,000</u>	<u>\$ 40,950</u>	<u>\$ 330,950</u>	<u>\$ 960</u>	<u>\$ 1,074,040</u>	<u>\$ 1,075,000</u>

C. Series 2015 Refunding Bonds

During fiscal year 2015, the School District issued \$8,474,996 in general obligation bonds to refund \$8,475,000 of the Series 2009 General Obligation School Improvement Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. During fiscal year 2023, \$0 of the bonds were refunded by the Series 2021 Refunding Bonds. The balance of the refunded bonds outstanding at June 30, 2023 was \$8,475,000.

The issue is comprised of both current interest bonds, par value \$8,410,000 and capital appreciation bonds, par value \$64,996. The interest rates on the current interest bonds range from 3.00% - 4.00%. The remaining capital appreciation bonds mature December 1, 2020 through December 1, 2025 (approximate equivalent interest rate 112.41653%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2016 through December 1, 2025 vary from \$60,000 to \$420,000. Total accreted interest of \$103,651 has been included on the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,150,467. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2032. This advance refunding was undertaken to reduce the combined total debt service payments by \$497,993 and resulted in an economic gain of \$413,663.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the future debt service requirements to maturity for the series 2015 refunding bonds:

Fiscal Year Ending June 30,	<u>2015 Refunding Bonds</u>					
	<u>Current Interest Bonds</u>			<u>Capital Appreciation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 36,150	\$ 36,150	\$ 21	\$ 59,979	\$ 60,000
2025	-	18,075	18,075	8	59,992	60,000
2026	120,000	34,350	154,350	25	419,975	420,000
2027	<u>1,085,000</u>	<u>16,275</u>	<u>1,101,275</u>	-	-	-
Total	<u>\$ 1,205,000</u>	<u>\$ 104,850</u>	<u>\$ 1,309,850</u>	<u>\$ 54</u>	<u>\$ 539,946</u>	<u>\$ 540,000</u>

D. Series 2016 Refunding Bonds

During fiscal year 2016, the School District issued \$8,329,988 in general obligation bonds to refund \$8,330,000 of the Series 2010A General Obligation School Improvement Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. During fiscal year 2023, \$0 of the bonds were refunded by the Series 2021 Refunding Bonds. The balance of the refunded bonds outstanding at June 30, 2023 was \$8,330,000.

The issue is comprised of both current interest bonds, par value \$8,170,000 and capital appreciation bonds, par value \$1,159,988. The interest rates on the current interest bonds range from 0.90% - 4.00%. The remaining capital appreciation bonds mature December 1, 2020 through December 1, 2020 and December 1, 2034 through December 1, 2035 (approximate equivalent interest rate 64.74509%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2015 through December 1, 2035 vary from \$65,000 to \$995,000. Total accreted interest of \$1,838 has been included on the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,391,361. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2038. This advance refunding was undertaken to reduce the combined total debt service payments by \$771,878 and resulted in an economic gain of \$544,457.

The following is a summary of the future debt service requirements to maturity for the series 2016 refunding bonds:

Fiscal Year Ending June 30,	<u>2016 Refunding Bonds</u>					
	<u>Current Interest Bonds</u>			<u>Capital Appreciation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 65,000	\$ 17,650	\$ 82,650	\$ -	\$ -	\$ -
2025	65,000	16,025	81,025	-	-	-
2026	70,000	14,000	84,000	-	-	-
2027	70,000	11,900	81,900	-	-	-
2028	75,000	9,538	84,538	-	-	-
2029 - 2033	235,000	12,512	247,512	-	-	-
2034 - 2038	<u>-</u>	<u>-</u>	<u>-</u>	<u>23</u>	<u>1,314,977</u>	<u>1,315,000</u>
Total	<u>\$ 580,000</u>	<u>\$ 81,625</u>	<u>\$ 661,625</u>	<u>\$ 23</u>	<u>\$ 1,314,977</u>	<u>\$ 1,315,000</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

E. Series 2017A Refunding Bonds

During fiscal year 2017, the School District issued \$3,157,875 in general obligation bonds to refund \$3,160,000 of the Series 2009 General Obligation School Improvement Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds outstanding at June 30, 2023 was \$2,315,000.

The issue is comprised of both current interest bonds, par value \$3,020,000 and capital appreciation bonds, par value \$137,875. The interest rates on the current interest bonds range from 2.00% - 3.50%. The capital appreciation bonds mature December 1, 2025 (approximate equivalent interest rate 15.25%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2025 is \$505,000. Total accreted interest of \$211,848 has been included on the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$136,156. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2024. This advance refunding was undertaken to reduce the combined total debt service payments by \$241,471 and resulted in an economic gain of \$219,713.

The following is a summary of the future debt service requirements to maturity for the series 2017A refunding bonds:

Fiscal Year Ending <u>June 30,</u>	<u>2017A Refunding Bonds</u>					
	<u>Current Interest Bonds</u>			<u>Capital Appreciation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 915,000	\$ 30,338	\$ 945,338	\$ -	\$ -	\$ -
2025	945,000	9,450	954,450	-	-	-
2026	-	-	-	137,875	367,125	505,000
Total	<u>\$ 1,860,000</u>	<u>\$ 39,788</u>	<u>\$ 1,899,788</u>	<u>\$ 137,875</u>	<u>\$ 367,125</u>	<u>\$ 505,000</u>

F. Series 2017B Refunding Bonds

During fiscal year 2017, the School District issued \$5,663,974 in general obligation bonds to refund \$5,665,000 of the Series 2010A General Obligation School Improvement Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds outstanding at June 30, 2023 was \$5,665,000.

The issue is comprised of both current interest bonds, par value \$5,450,000 and capital appreciation bonds, par value \$213,974. The interest rates on the current interest bonds range from 1.00% - 3.10%. The capital appreciation bonds mature December 1, 2025 and December 1, 2029 (approximate equivalent interest rate 15.25% and 12.25%, respectively) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2025 and December 1, 2029 are \$55,000 to \$915,000, respectively. Total accreted interest of \$246,580 has been included on the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$430,706. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2034. This advance refunding was undertaken to reduce the combined total debt service payments by \$280,045 and resulted in an economic gain of \$221,363.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the future debt service requirements to maturity for the series 2017B refunding bonds:

Fiscal Year Ending June 30,	<u>2017B Refunding Bonds</u>					
	<u>Current Interest Bonds</u>			<u>Capital Appreciation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 50,000	\$ 176,601	\$ 226,601	\$ -	\$ -	\$ -
2025	55,000	175,425	230,425	-	-	-
2026	-	174,876	174,876	15,016	39,984	55,000
2027	55,000	174,050	229,050	-	-	-
2028	55,000	172,400	227,400	-	-	-
2029 - 2033	3,390,000	677,986	4,067,986	198,958	716,042	915,000
2034 - 2035	1,520,000	38,150	1,558,150	-	-	-
Total	<u>\$ 5,125,000</u>	<u>\$ 1,589,488</u>	<u>\$ 6,714,488</u>	<u>\$ 213,974</u>	<u>\$ 756,026</u>	<u>\$ 970,000</u>

G. Series 2017C Energy Conservation Refunding Bonds

During fiscal year 2018, the School District issued \$1,360,000 in general obligation bonds to refund \$1,365,000 of the Series 2010 Energy Conservation Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds outstanding at June 30, 2023 was \$720,000.

The issue is comprised of current interest bonds, par value \$1,365,000. The interest rates on the current interest bonds range from 2.00% - 4.00%. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2025.

The reacquisition price exceeded the net carrying amount of the old debt by \$48,613. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2025. This advance refunding was undertaken to reduce the combined total debt service payments by \$44,275 and resulted in an economic gain of \$43,773.

The following is a summary of the future debt service requirements to maturity for the series 2017 energy conservation refunding bonds:

Fiscal Year Ending June 30,	<u>2017C E.C. Refunding Bonds</u>		
	<u>Current Interest Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 230,000	\$ 22,650	\$ 252,650
2025	235,000	14,500	249,500
2026	245,000	4,900	249,900
Total	<u>\$ 710,000</u>	<u>\$ 42,050</u>	<u>\$ 752,050</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

H. Series 2017C Refunding Bonds

During fiscal year 2018, the School District issued \$8,800,000 in general obligation bonds to refund \$1,590,000 of the Series 2009 General Obligation School Improvement Bonds and \$7,410,000 of the Series 2010A General Obligation School Improvement Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds outstanding at June 30, 2023 was \$5,430,000.

The issue is comprised of current interest bonds, par value \$8,800,000. The interest rates on the current interest bonds range from 2.00% - 4.00%. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2029.

The reacquisition price exceeded the net carrying amount of the old debt by \$177,870. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2029. This advance refunding was undertaken to reduce the combined total debt service payments by \$470,825 and resulted in an economic gain of \$416,431.

The following is a summary of the future debt service requirements to maturity for the series 2017C refunding bonds:

Fiscal Year Ending	<u>2017C Refunding Bonds</u>			
	<u>Current Interest Bonds</u>			
	<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 785,000	\$ 181,475		\$ 966,475
2025	810,000	157,550		967,550
2026	830,000	128,800		958,800
2027	865,000	94,900		959,900
2028	895,000	59,700		954,700
2029 - 2031	<u>1,045,000</u>	<u>25,500</u>		<u>1,070,500</u>
Total	<u>\$ 5,230,000</u>	<u>\$ 647,925</u>		<u>\$ 5,877,925</u>

I. Series 2021 Refunding Bonds

During fiscal year 2022, the School District issued \$22,170,000 in general obligation bonds to refund \$7,655,000 of the Series 2014 Refunding Bonds, \$7,205,000 of the Series 2015 Refunding Bonds and \$7,460,000 of the Series 2016 Refunding Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds outstanding at June 30, 2023 was \$22,320,000.

The issue is comprised of current interest bonds, par value \$22,170,000. The interest rates on the current interest bonds range from 1.70% - 4.00%. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2037.

The reacquisition price exceeded the net carrying amount of the old debt by \$2,549,453. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2037. This advance refunding was undertaken to reduce the combined total debt service payments by \$5,610,752 and resulted in an economic gain of \$4,082,336.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the future debt service requirements to maturity for the series 2021 refunding bonds:

Fiscal Year Ending June 30,	<u>2021 Refunding Bonds</u>		
	<u>Current Interest Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 210,000	\$ 545,652	\$ 755,652
2025	220,000	537,052	757,052
2026	225,000	528,152	753,152
2027	240,000	518,852	758,852
2028	1,360,000	486,852	1,846,852
2029 - 2033	7,885,000	1,877,820	9,762,820
2034 - 2038	11,640,000	907,520	12,547,520
Total	<u>\$ 21,780,000</u>	<u>\$ 5,401,900</u>	<u>\$ 27,181,900</u>

J. Leases Payable

The School District has entered into lease agreements for the use of right-to-use equipment. Due to the implementation of GASB Statement No. 87, the School District will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund.

The School District has entered into lease agreements for copier and postage machine equipment at varying years and terms as follows:

<u>Lease</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Copier lease	2022	5	2027	Monthly
Postage machine lease	2022	5	2027	Monthly

The following is a schedule of future lease payments under the lease agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 105,347	\$ 26,050	\$ 131,397
2025	111,845	19,553	131,398
2026	118,743	12,654	131,397
2027	124,515	5,342	129,857
2028	21,227	159	21,386
Total	<u>\$ 481,677</u>	<u>\$ 63,758</u>	<u>\$ 545,435</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

K. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the School District shall never exceed 9% of the total assessed valuation of the School District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the School District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the School District. The assessed valuation used in determining the School District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the School District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2023 are a voted debt margin of \$28,787,123, including available funds of \$2,561,716 an unvoted debt margin of \$696,092 and an energy conservation debt margin of \$5,239,829.

NOTE 10 - EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Employees on an 11- or 12-month basis shall accrue vacation at a rate of 84/100 of a day per month of complete service. After 7 years of service, the vacation rate shall increase to a rate of 1 ¼ days per month for employees on a 12-month basis. After 13 years of service, the vacation rate shall increase to 1 2/3 days per month for employees on a 12-month basis. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who are not on an 11- or 12-month contract do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month with a maximum as follows:

- Certified employees: the greater of 270 days or 5 more days than scheduled to work in the school year
- Classified employees: the greater of 220 days or 5 more days than scheduled to work in the school year

Upon retirement, payment is made for one-fourth of the total sick leave accumulation, up to a maximum accumulation of 61 paid days for certified employees. If a certified employee notifies the School District by March 1st of the year in which he or she terminates employment, then a maximum of 68 days may be paid. Classified employees receive twenty-five percent of accrued sick with no maximum paid days.

B. Insurance Benefits

Since fiscal year 2018 medical insurance plan year, "premium costs" has been clarified to be relevant to both insurance premiums and HSA deductible contributions. Additionally, the 85% Board paid and 15% employee paid monthly premium copays will be applied to premium costs. Furthermore, the long-standing practice of a 3% maximum annual increase to the Board for insurance premium renewals has been eliminated. Both the Board and participating employees will share in the renewal increase by the same percentages outlined above, 85% Board, 15% Employee.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 10 - EMPLOYEE BENEFITS - (Continued)

C. Employee Severance Plan

On March 31, 2022, the Board of Education announced the one-time 2021-2022 Employee Severance Plan for all eligible employees. The Plan is being offered to provide staff members with career options and to meet operational and budgetary needs. The Plan is available to certified and classified employees who will have a minimum of ten (10) years of service with the District as of June 30, 2022 or certified employees who will be eligible for full or reduced benefits under the State Teachers Retirement System (hereinafter "STRS") as of June 30, 2022, or classified employees who will be eligible for full or reduced benefits under the School Employees Retirement System of Ohio (SERS) as of June 30, 2022.

Certified employees electing the Plan and exiting June 30, 2022, shall receive \$60,000 plus their applicable contractual sick leave pay, the total of which is divided into equal monthly payments. Classified employees electing the Plan and exiting June 30, 2022, shall receive \$20,000 plus their applicable contractual sick leave pay, the total of which is divided into equal monthly payments. Part-time employees shall have his/her Plan benefit prorated based on his/her FTE (example $\$20,000 * 0.80 \text{ FTE} = \$16,000$ Plan benefit plus applicable contractual sick leave pay).

Participants receive the total Plan benefit over 5 years, divided in equal monthly payments made to the participant's selected Post Employment 403(b) account. The Participant can access within the parameters of the Post Employment 403(b) account that usually will permit immediate distribution of funds. Under current tax rules, the employer and Eligible Employee do not have to pay Medicare tax on the Plan amounts deposited into the Post Employment 403(b). Federal and state income taxes are deferred until the individual withdraws funds from their Post-Employment 403(b) account. Plan benefits begin to be deposited into a 403(b) Contract on a date between October 15 and October 30 following the employee's Exit Date and will be paid on or about the 15th of each month thereafter until all payments are completed.

NOTE 11 - RISK MANAGEMENT

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. For fiscal year 2023, the School District continues to be contracted with Selective Insurance Company for general liability insurance with a \$1,000,000 single occurrence limit and \$3,000,000 aggregate. Selective Insurance Company covers buildings, boiler and machinery with \$3,500 deductible and a \$100,000,000 limit.

Professional liability is protected by Selective Insurance Company with a \$1,000,000 single occurrence limit and \$3,000,000 aggregate and \$5,000 deductible. Vehicles are covered by Selective Insurance Company. Automobile liability has a \$1,000,000 per occurrence liability. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from the previous year.

For fiscal year 2023, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the school district by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings 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 of Hunter Consulting, provides administrative, cost control and actuarial services to the GRP.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

The net pension liability and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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

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

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

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

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

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire 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; or 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% for the first thirty years of service and 2.5% 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. Beginning April 1, 2018, 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. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the School District is required to contribute 14.00% 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 10.00% for plan members and 14.00% 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 14.00%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was \$753,568 for fiscal year 2023. Of this amount, \$41,814 is reported as pension and postemployment benefits payable.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers participate in STRS, a cost-sharing multiple-employer public employee retirement 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 website 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 2.20% 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, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

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

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

A DB or Combined Plan member with five or more years of credited service, who is determined to be disabled, may qualify for a disability benefit. New members, on or after July 1, 2013, must have at least ten years of qualifying service credit 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.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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% was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$2,435,575 for fiscal year 2023. Of this amount, \$412,608 is reported as pension and postemployment benefits payable.

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

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

Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.136997200%	0.131968116%	
Proportion of the net pension liability current measurement date	<u>0.134534000%</u>	<u>0.129497270%</u>	
Change in proportionate share	<u>-0.002463200%</u>	<u>-0.002470846%</u>	
Proportionate share of the net pension liability	\$ 7,276,645	\$ 28,787,407	\$ 36,064,052
Pension expense	\$ 317,326	\$ 3,662,721	\$ 3,980,047

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 294,710	\$ 368,519	\$ 663,229
Net difference between projected and actual earnings on pension plan investments	-	1,001,735	1,001,735
Changes of assumptions	71,801	3,444,988	3,516,789
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	22,838	557,568	580,406
Contributions subsequent to the measurement date	<u>753,568</u>	<u>2,435,575</u>	<u>3,189,143</u>
Total deferred outflows of resources	<u>\$ 1,142,917</u>	<u>\$ 7,808,385</u>	<u>\$ 8,951,302</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 47,770	\$ 110,119	\$ 157,889
Net difference between projected and actual earnings on pension plan investments	253,920	-	253,920
Changes of assumptions	-	2,593,085	2,593,085
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>163,369</u>	<u>478,812</u>	<u>642,181</u>
Total deferred inflows of resources	<u>\$ 465,059</u>	<u>\$ 3,182,016</u>	<u>\$ 3,647,075</u>

\$3,189,143 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2024	\$ (30,002)	\$ 229,702	\$ 199,700
2025	(104,954)	(93,420)	(198,374)
2026	(362,732)	(864,997)	(1,227,729)
2027	<u>421,978</u>	<u>2,919,509</u>	<u>3,341,487</u>
Total	<u>\$ (75,710)</u>	<u>\$ 2,190,794</u>	<u>\$ 2,115,084</u>

Actuarial Assumptions - SERS

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

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.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.00%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.00%
Actuarial cost method	Entry age normal (level percent of payroll)

In 2022, 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% for males and set forward 2 years and adjusted 81.35% 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% 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.

In the prior measurement date, 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% for males and set forward 2 years and adjusted 81.35% 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% 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.

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 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 a 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.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
School District's proportionate share of the net pension liability	\$ 10,710,874	\$ 7,276,645	\$ 4,383,354

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:

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

For the June 30, 2022 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the prior measurement date, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% 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 Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

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

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

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

* Target allocation percentage is effective 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% 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 7.00% 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 the rates described previously. 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 Ohio'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 pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the net pension liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Discount Rate	1% Increase
School District's proportionate share of the net pension liability	\$ 43,487,291	\$ 28,787,407	\$ 16,355,855

Changes Between Measurement Date and Reporting Date - STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023. It is unknown what effect this change will have on the net pension liability.

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. 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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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment 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% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the School District's surcharge obligation was \$101,137.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$101,137 for fiscal year 2023. Of this amount, \$101,137 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. The Medicare Part B monthly reimbursement elimination date was postponed 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% 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/Assets, 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 School District's proportion of the net OPEB liability/asset was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.140445400%	0.131968116%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.137504300%</u>	<u>0.129497270%</u>	
Change in proportionate share	<u>-0.002941100%</u>	<u>-0.002470846%</u>	
Proportionate share of the net OPEB liability	\$ 1,930,575	\$ -	\$ 1,930,575
Proportionate share of the net OPEB asset	\$ -	\$ (3,353,115)	\$ (3,353,115)
OPEB expense	\$ (125,526)	\$ (572,239)	\$ (697,765)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 16,230	\$ 48,612	\$ 64,842
Net difference between projected and actual earnings on OPEB plan investments	10,036	58,370	68,406
Changes of assumptions	307,084	142,829	449,913
Difference between employer contributions and proportionate share of contributions/change in proportionate share	122,409	71,863	194,272
Contributions subsequent to the measurement date	<u>101,137</u>	<u>-</u>	<u>101,137</u>
Total deferred outflows of resources	<u>\$ 556,896</u>	<u>\$ 321,674</u>	<u>\$ 878,570</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 1,234,938	\$ 503,573	\$ 1,738,511
Changes of assumptions	792,513	2,377,682	3,170,195
Difference between employer contributions and proportionate share of contributions/change in proportionate share	<u>167,381</u>	<u>-</u>	<u>167,381</u>
Total deferred inflows of resources	<u>\$ 2,194,832</u>	<u>\$ 2,881,255</u>	<u>\$ 5,076,087</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

\$101,137 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	\$ (381,919)	\$ (737,045)	\$ (1,118,964)
2025	(365,259)	(727,273)	(1,092,532)
2026	(335,726)	(354,670)	(690,396)
2027	(238,069)	(148,751)	(386,820)
2028	(162,069)	(195,501)	(357,570)
Thereafter	(256,031)	(396,341)	(652,372)
Total	\$ (1,739,073)	\$ (2,559,581)	\$ (4,298,654)

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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	3.69%
Prior measurement date	1.92%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.08%
Prior measurement date	2.27%
Medical trend assumption:	
Current measurement date	7.00 to 4.40%
Prior measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%

In 2022, 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% for males and set forward 2 years and adjusted 81.35% 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% 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.

In the prior measurement date, mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% 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% 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.

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

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, 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 target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

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

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

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the 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 the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB liability	\$ 2,397,803	\$ 1,930,575	\$ 1,553,395
	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB liability	\$ 1,488,820	\$ 1,930,575	\$ 2,507,578

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, compared with June 30, 2021 actuarial valuation, are presented below:

	<u>June 30, 2022</u>		<u>June 30, 2021</u>	
Inflation	2.50%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

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

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

For the June 30, 2022 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

Benefit Term Changes Since the Prior Measurement Date - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

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 Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>100.00 %</u>	

* 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% 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 OPEB liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those 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 fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) 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	Discount Rate	1% Increase
School District's proportionate share of the net OPEB asset	\$ 3,105,047	\$ 3,353,115	\$ 3,570,044
	1% Decrease	Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	\$ 3,477,996	\$ 3,353,115	\$ 3,195,484

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) 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 the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis);
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis); and,
- (f) Investments are reported at fair value (GAAP basis) rather than at cost (budget basis).

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ (2,802,514)
Net adjustment for revenue accruals	(1,562,672)
Net adjustment for expenditure accruals	(724,537)
Net adjustment for other sources/uses	(17,828)
Funds budgeted elsewhere	155,166
Adjustment for encumbrances	741,046
GAAP basis	<u>\$ (4,211,339)</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the uniform school supplies fund, the public school support fund and the latchkey fund.

NOTE 15 - CONTINGENCIES

A. Grants

The School 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 School District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the School District.

B. Litigation

A lawsuit is pending against the School District. In the opinion of the School District’s Legal Counsel, no liability is anticipated in excess of insurance coverage.

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year-end. ODE has finalized the adjustments and there were no material changes.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 16 - SET-ASIDES

The School District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2022	
Current year set-aside requirement	611,966
Prior year offset from bond proceeds	<u>(611,966)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2024	<u>\$ -</u>
Set-aside balance June 30, 2023	<u>\$ -</u>

During fiscal years 1984, 2009, 2011 and 2012, the School District issued a total of \$60,405,462 in capital related school improvement bonds. These proceeds may be used to reduce capital acquisition below zero for future years. The amount presented for Prior Year Offset from Bond Proceeds is limited to an amount needed to reduce the reserve for capital improvement to \$0. The School District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$50,899,819 at June 30, 2023.

NOTE 17 - OTHER COMMITMENTS

The School District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the School District's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 326,934
Other nonmajor governmental funds	<u>73,261</u>
Total	<u>\$ 400,195</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 18 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

The City of Vandalia and Butler Township provide tax abatements through two programs - Enterprise Zone Agreements and Community Reinvestment Area (CRA) Agreements. Under the agreements, various businesses receive the abatement of property taxes to bring jobs and economic development to the City and Township. The agreement affects the property tax receipts collected and distributed to the School District. Under the agreements, the School District property taxes were reduced by \$2,808,525 during fiscal year 2023.

NOTE 19 - COVID-19

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

REQUIRED SUPPLEMENTARY INFORMATION

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	2023	2022	2021	2020
School District's proportion of the net pension liability	0.13453400%	0.13699720%	0.13571730%	0.13798310%
School District's proportionate share of the net pension liability	\$ 7,276,645	\$ 5,054,799	\$ 8,976,628	\$ 8,255,771
School District's covered payroll	\$ 4,266,193	\$ 4,885,714	\$ 5,360,593	\$ 4,783,585
School District's proportionate share of the net pension liability as a percentage of its covered payroll	170.57%	103.46%	167.46%	172.59%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.12744220%	0.13251160%	0.13423880%	0.13700230%	0.13692600%	0.13692600%
\$ 7,298,851	\$ 7,917,275	\$ 9,825,042	\$ 7,817,484	\$ 6,929,747	\$ 8,142,550
\$ 4,332,207	\$ 4,243,500	\$ 4,166,921	\$ 4,124,484	\$ 3,978,788	\$ 4,843,316
168.48%	186.57%	235.79%	189.54%	174.17%	168.12%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	2023	2022	2021	2020
School District's proportion of the net pension liability	0.129497270%	0.131968116%	0.12979556%	0.12757427%
School District's proportionate share of the net pension liability	\$ 28,787,407	\$ 16,873,310	\$ 31,405,907	\$ 28,212,283
School District's covered payroll	\$ 16,833,664	\$ 16,527,257	\$ 15,778,207	\$ 15,189,143
School District's proportionate share of the net pension liability as a percentage of its covered payroll	171.01%	102.09%	199.05%	185.74%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.31%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.12331450%	0.11887460%	0.11862129%	0.11928882%	0.12387473%	0.12387473%
\$ 27,114,090	\$ 28,238,916	\$ 39,706,121	\$ 32,967,941	\$ 30,130,621	\$ 35,891,399
\$ 14,043,979	\$ 13,321,464	\$ 12,198,150	\$ 12,445,793	\$ 12,656,577	\$ 14,635,300
193.07%	211.98%	325.51%	264.89%	238.06%	245.24%
77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 753,568	\$ 597,267	\$ 684,000	\$ 750,483
Contributions in relation to the contractually required contribution	<u>(753,568)</u>	<u>(597,267)</u>	<u>(684,000)</u>	<u>(750,483)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 5,382,629	\$ 4,266,193	\$ 4,885,714	\$ 5,360,593
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 645,784	\$ 584,848	\$ 594,090	\$ 583,369	\$ 543,607	\$ 551,460
<u>(645,784)</u>	<u>(584,848)</u>	<u>(594,090)</u>	<u>(583,369)</u>	<u>(543,607)</u>	<u>(551,460)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,783,585	\$ 4,332,207	\$ 4,243,500	\$ 4,166,921	\$ 4,124,484	\$ 3,978,788
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 2,435,575	\$ 2,356,713	\$ 2,313,816	\$ 2,208,949
Contributions in relation to the contractually required contribution	<u>(2,435,575)</u>	<u>(2,356,713)</u>	<u>(2,313,816)</u>	<u>(2,208,949)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 17,396,964	\$ 16,833,664	\$ 16,527,257	\$ 15,778,207
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 2,126,480	\$ 1,966,157	\$ 1,865,005	\$ 1,707,741	\$ 1,742,411	\$ 1,645,355
<u>(2,126,480)</u>	<u>(1,966,157)</u>	<u>(1,865,005)</u>	<u>(1,707,741)</u>	<u>(1,742,411)</u>	<u>(1,645,355)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 15,189,143	\$ 14,043,979	\$ 13,321,464	\$ 12,198,150	\$ 12,445,793	\$ 12,656,577
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST SEVEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
School District's proportion of the net OPEB liability	0.13750430%	0.14044540%	0.14085540%	0.14100400%
School District's proportionate share of the net OPEB liability	\$ 1,930,575	\$ 2,658,044	\$ 3,061,249	\$ 3,545,954
School District's covered payroll	\$ 4,266,193	\$ 4,885,714	\$ 5,360,593	\$ 4,783,585
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	45.25%	54.40%	57.11%	74.13%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.13003010%	0.13379610%	0.13524694%
\$ 3,607,386	\$ 3,590,736	\$ 3,855,038
\$ 4,332,207	\$ 4,243,500	\$ 4,166,921
83.27%	84.62%	92.52%
13.57%	12.46%	11.49%

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SEVEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
School District's proportion of the net OPEB liability/asset	0.129497270%	0.131968116%	0.12979556%	0.12757427%
School District's proportionate share of the net OPEB liability/(asset)	\$ (3,353,115)	\$ (2,782,440)	\$ (2,281,156)	\$ (2,112,936)
School District's covered payroll	\$ 16,833,664	\$ 16,527,257	\$ 15,778,207	\$ 15,189,143
School District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	19.92%	16.84%	14.46%	13.91%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.10%	174.70%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.12331450%	0.11887460%	0.11862129%
\$ (1,981,538)	\$ 4,638,048	\$ 6,343,897
\$ 14,043,979	\$ 13,321,464	\$ 12,198,150
14.11%	34.82%	52.01%
176.00%	47.10%	37.30%

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 101,137	\$ 89,502	\$ 86,453	\$ 90,592
Contributions in relation to the contractually required contribution	<u>(101,137)</u>	<u>(89,502)</u>	<u>(86,453)</u>	<u>(90,592)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 5,382,629	\$ 4,266,193	\$ 4,885,714	\$ 5,360,593
Contributions as a percentage of covered payroll	1.88%	2.10%	1.77%	1.69%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 108,102	\$ 95,195	\$ 69,811	\$ 65,049	\$ 101,461	\$ 85,288
<u>(108,102)</u>	<u>(95,195)</u>	<u>(69,811)</u>	<u>(65,049)</u>	<u>(101,461)</u>	<u>(85,288)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,783,585	\$ 4,332,207	\$ 4,243,500	\$ 4,166,921	\$ 4,124,484	\$ 3,978,788
2.26%	2.20%	1.65%	1.56%	2.46%	2.14%

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 17,396,964	\$ 16,833,664	\$ 16,527,257	\$ 15,778,207
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,575
-	-	-	-	-	(129,575)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 15,189,143	\$ 14,043,979	\$ 13,321,464	\$ 12,198,150	\$ 12,445,793	\$ 12,656,577
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

(Continued)

VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

PENSION (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 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 year 2019
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

(Continued)

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO (CONTINUED)

Changes in assumptions :

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.

(Continued)

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% 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 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% 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% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) 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 and (e) 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 following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

(Continued)

VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO (CONTINUED)

Changes in assumptions (continued):

- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTARY INFORMATION

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

MAJOR FUNDS

General Fund

The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio. A budgetary statement for the general fund is presented as part of the basic financial statements. The level of detail presented in that statement is greater than the legal level of budgetary control; therefore, a separate additional schedule is not presented

Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis)

Uniform School Supply Fund

A fund to account for the purchase and reimbursement of consumable supplies (workbooks) used by the students as a supplemental learning tool.

Public School Support Fund

A fund provided to account for special local revenue sources such as vending machine receipts. Revenues are used to fund special events and purchase achievement awards.

Latchkey Fund

A fund established to account for the tuition received and expenses made in securing an after-school latchkey program for students of the School District.

Other Major Funds

Bond Retirement Fund

The bond retirement fund is used to account for the accumulation of resources for resources that are restricted for the payment of general obligations bond principal and interest and certain other long-term obligations when the School District is obligated for the payment. The fund balance of this fund is restricted for debt service.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
Uniform School Supply Fund			
Total Revenues and Other Sources	\$ 240,105	\$ 240,780	\$ 675
Total Expenditures and Other Uses	<u>211,241</u>	<u>188,119</u>	<u>23,122</u>
Net Change in Fund Balances	28,864	52,661	23,797
Fund Balance at Beginning of Year	318,923	318,923	-
Prior Year Encumbrances Appropriated	<u>6,241</u>	<u>6,241</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 354,028</u>	<u>\$ 377,825</u>	<u>\$ 23,797</u>
Public School Support Fund			
Total Revenues and Other Sources	\$ 139,681	\$ 140,964	\$ 1,283
Total Expenditures and Other Uses	<u>152,511</u>	<u>129,267</u>	<u>23,244</u>
Net Change in Fund Balances	(12,830)	11,697	24,527
Fund Balance at Beginning of Year	279,855	279,855	-
Prior Year Encumbrances Appropriated	<u>4,011</u>	<u>4,011</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 271,036</u>	<u>\$ 295,563</u>	<u>\$ 24,527</u>
Latchkey Fund			
Total Revenues and Other Sources	\$ 172,595	\$ 174,745	\$ 2,150
Total Expenditures and Other Uses	<u>130,649</u>	<u>120,678</u>	<u>9,971</u>
Net Change in Fund Balances	41,946	54,067	12,121
Fund Balance at Beginning of Year	26,658	26,658	-
Prior Year Encumbrances Appropriated	<u>175</u>	<u>175</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 68,779</u>	<u>\$ 80,900</u>	<u>\$ 12,121</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Variance with Final Budget- Over
	Final		
Bond Retirement Fund			
Total Revenues and Other Sources	\$ 3,740,030	\$ 3,740,030	\$ -
Total Expenditures and Other Uses	<u>3,191,902</u>	<u>3,191,902</u>	<u>-</u>
Net Change in Fund Balances	548,128	548,128	-
Fund Balance at Beginning of Year	<u>1,632,979</u>	<u>1,632,979</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 2,181,107</u></u>	<u><u>\$ 2,181,107</u></u>	<u><u>\$ -</u></u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING STATEMENTS - NONMAJOR FUNDS

Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The term proceeds of specific revenue sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The title of each special revenue fund is descriptive of the activities accounted for therein. The nonmajor special revenue funds are:

Food Service Fund

A fund to account for all transactions that are restricted to the provision of food service operations for the School District.

Special Trust Fund

A fund used to account for revenues and expenditures that are committed of the Gilbery Scholarship.

Student Managed Activities Fund

A fund provided to account for those student activity programs which are run by students. Most expenditures are restricted to include costs for student clubs.

Athletics Fund

A fund provided to account for those student activity programs which charge admission. Most expenditures are restricted to include referee and security compensations, equipment and supplies needed to run a successful athletic program

Race to the Top Fund

A fund used to account for revenues that are restricted to provide for either a new program or expansion of an existing program to support initiatives in the following areas: standards and assessments; using data to improve instruction; great teachers and leaders; and turning around the lowest achieving schools.

Elementary and Secondary School Emergency Relief (ESSER) Fund

This fund accounts for grants received from the federal government to provide emergency relief to school districts related to the COVID-19 pandemic.

VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO

COMBINING STATEMENTS - NONMAJOR FUNDS

Nonmajor Special Revenue Funds (Continued)

Special Education Fund

This fund accounts for federal funds that are restricted for the full educational opportunities to handicapped children at the preschool, elementary and secondary levels, and to assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

Title I Fund

A fund that is restricted to provide financial assistance to State and Local educational agencies to meet the special needs of educationally deprived children.

Title IV-A Fund

This fund is to account for Federal money restricted for providing students with a well-rounded education, supporting safe and healthy students and supporting the effective use of technology.

Preschool Handicapped Grant Fund

A fund that is restricted to provide for the education of handicapped children ages three through five, and account for the monies received and expended for the purpose of this grant.

Title II-A Fund

A fund that is restricted for monies to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.



**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	<u>Food Services</u>	<u>Special Trust</u>	<u>Student Managed Activities</u>	<u>Athletics</u>
Assets:				
Equity in pooled cash and investments	\$ 556,299	\$ 5,862	\$ 102,935	\$ 69,002
Receivables:				
Intergovernmental	-	-	-	-
Prepayments	574	-	-	-
Materials and supplies inventory	518	-	-	-
Inventory held for resale	13,742	-	-	-
Total assets	<u>\$ 571,133</u>	<u>\$ 5,862</u>	<u>\$ 102,935</u>	<u>\$ 69,002</u>
Liabilities:				
Accounts payable	\$ 131	\$ -	\$ -	\$ 514
Accrued wages and benefits	76,261	-	-	300
Compensated absences payable	4,888	-	-	-
Early retirement incentive	17,475	-	-	-
Intergovernmental payable	968	-	285	7,270
Pension and postemployment benefits payable	20,269	-	-	79
Due to other funds	-	-	-	-
Total liabilities	<u>119,992</u>	<u>-</u>	<u>285</u>	<u>8,163</u>
Deferred inflows of resources:				
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	518	-	-	-
Prepayments	574	-	-	-
Restricted:				
Food service operations	450,049	-	-	-
Federally funded programs	-	-	-	-
Extracurricular activities	-	-	102,650	60,839
Other purposes	-	5,862	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficits)	<u>451,141</u>	<u>5,862</u>	<u>102,650</u>	<u>60,839</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 571,133</u>	<u>\$ 5,862</u>	<u>\$ 102,935</u>	<u>\$ 69,002</u>

<u>Race to the Top</u>	<u>Elementary and Secondary School Emergency Relief</u>	<u>Special Education</u>	<u>Title I</u>	<u>Title IV-A</u>	<u>Title II-A</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 1,050	\$ -	\$ 5,058	\$ -	\$ -	\$ -	\$ 740,206
-	365,628	48,926	83,535	8,000	6,288	512,377
-	-	-	-	-	-	574
-	-	-	-	-	-	518
-	-	-	-	-	-	13,742
<u>\$ 1,050</u>	<u>\$ 365,628</u>	<u>\$ 53,984</u>	<u>\$ 83,535</u>	<u>\$ 8,000</u>	<u>\$ 6,288</u>	<u>\$ 1,267,417</u>
\$ -	\$ 18,797	\$ -	\$ -	\$ -	\$ 4,544	\$ 23,986
-	278,334	42,527	53,018	-	-	450,440
-	-	-	-	-	-	4,888
-	-	-	-	-	-	17,475
-	3,976	617	769	-	-	13,885
-	17,016	10,840	9,013	-	-	57,217
-	47,505	-	20,735	8,000	1,744	77,984
-	<u>365,628</u>	<u>53,984</u>	<u>83,535</u>	<u>8,000</u>	<u>6,288</u>	<u>645,875</u>
-	267,548	13,497	2,562	-	3,816	287,423
-	<u>267,548</u>	<u>13,497</u>	<u>2,562</u>	-	<u>3,816</u>	<u>287,423</u>
-	-	-	-	-	-	518
-	-	-	-	-	-	574
-	-	-	-	-	-	450,049
1,050	-	-	-	-	-	1,050
-	-	-	-	-	-	163,489
-	-	-	-	-	-	5,862
-	<u>(267,548)</u>	<u>(13,497)</u>	<u>(2,562)</u>	-	<u>(3,816)</u>	<u>(287,423)</u>
1,050	<u>(267,548)</u>	<u>(13,497)</u>	<u>(2,562)</u>	-	<u>(3,816)</u>	<u>334,119</u>
<u>\$ 1,050</u>	<u>\$ 365,628</u>	<u>\$ 53,984</u>	<u>\$ 83,535</u>	<u>\$ 8,000</u>	<u>\$ 6,288</u>	<u>\$ 1,267,417</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES / (DEFICITS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Food Service</u>	<u>Special Trust</u>	<u>Student Managed Activities</u>	<u>Athletics</u>
Revenues:				
Intergovernmental	\$ 743,499	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Tuition and fees	-	-	3,000	-
Extracurricular	-	-	66,334	325,380
Charges for services	707,175	-	-	-
Contributions and donations	-	1,310	-	-
Total revenues	<u>1,450,674</u>	<u>1,310</u>	<u>69,334</u>	<u>325,380</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Operations and maintenance	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	1,401,435	-	-	-
Other non-instructional services	-	-	-	-
Extracurricular activities	-	-	67,174	318,366
Total expenditures	<u>1,401,435</u>	<u>-</u>	<u>67,174</u>	<u>318,366</u>
Net change in fund balances	49,239	1,310	2,160	7,014
Fund balances (deficits) at beginning of year	<u>401,902</u>	<u>4,552</u>	<u>100,490</u>	<u>53,825</u>
Fund balances (deficits) at end of year	<u>\$ 451,141</u>	<u>\$ 5,862</u>	<u>\$ 102,650</u>	<u>\$ 60,839</u>

Race to the Top	Elementary and Secondary School Emergency Relief	Special Education	Title I	Title IV-A	Preschool Handicapped Grant	Title II-A	Total Nonmajor Special Revenue Funds
\$ -	\$ 1,891,372	\$ 848,528	\$ 503,539	\$ 19,251	\$ 13,116	\$ 114,018	\$ 4,133,323
-	-	50	-	-	-	-	50
-	-	-	-	-	-	-	3,000
-	-	-	-	-	-	-	391,714
-	-	-	-	-	-	-	707,175
-	-	-	-	-	-	-	1,310
-	<u>1,891,372</u>	<u>848,578</u>	<u>503,539</u>	<u>19,251</u>	<u>13,116</u>	<u>114,018</u>	<u>5,236,572</u>
-	575,664	-	-	11,251	-	-	586,915
-	78,762	349,984	422,597	-	13,116	-	864,459
-	628,732	485,101	-	8,000	-	-	1,121,833
-	-	-	-	-	-	108,647	108,647
-	-	-	30,832	-	-	-	30,832
-	783,167	-	-	-	-	-	783,167
-	86,517	-	-	-	-	-	86,517
-	-	-	-	-	-	-	1,401,435
-	-	13,747	27,096	-	-	9,054	49,897
-	-	-	-	-	-	-	385,540
-	<u>2,152,842</u>	<u>848,832</u>	<u>480,525</u>	<u>19,251</u>	<u>13,116</u>	<u>117,701</u>	<u>5,419,242</u>
-	(261,470)	(254)	23,014	-	-	(3,683)	(182,670)
<u>1,050</u>	<u>(6,078)</u>	<u>(13,243)</u>	<u>(25,576)</u>	<u>-</u>	<u>-</u>	<u>(133)</u>	<u>516,789</u>
<u>\$ 1,050</u>	<u>\$ (267,548)</u>	<u>\$ (13,497)</u>	<u>\$ (2,562)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,816)</u>	<u>\$ 334,119</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
Food Service Fund			
Total Revenues and Other Sources	\$ 1,384,334	\$ 1,396,734	\$ 12,400
Total Expenditures and Other Uses	<u>1,399,171</u>	<u>1,370,607</u>	<u>28,564</u>
Net Change in Fund Balances	(14,837)	26,127	40,964
Fund Balance at Beginning of Year	495,921	495,921	-
Prior Year Encumbrances Appropriated	<u>19,171</u>	<u>19,171</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 500,255</u>	<u>\$ 541,219</u>	<u>\$ 40,964</u>
Special Trust Fund			
Total Revenues and Other Sources	\$ 1,370	\$ 1,310	\$ (60)
Total Expenditures and Other Uses	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Net Change in Fund Balances	170	1,310	1,140
Fund Balance at Beginning of Year	<u>4,552</u>	<u>4,552</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 4,722</u>	<u>\$ 5,862</u>	<u>\$ 1,140</u>
Student Managed Activity Fund			
Total Revenues and Other Sources	\$ 56,719	\$ 69,334	\$ 12,615
Total Expenditures and Other Uses	<u>110,000</u>	<u>68,333</u>	<u>41,667</u>
Net Change in Fund Balances	(53,281)	1,001	54,282
Fund Balance at Beginning of Year	<u>100,490</u>	<u>100,490</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 47,209</u>	<u>\$ 101,491</u>	<u>\$ 54,282</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>		<u>Actual</u>
Athletics Fund			
Total Revenues and Other Sources	\$ 342,435	\$ 325,380	\$ (17,055)
Total Expenditures and Other Uses	<u>372,922</u>	<u>322,605</u>	<u>50,317</u>
Net Change in Fund Balances	(30,487)	2,775	33,262
Fund Balance at Beginning of Year	20,870	20,870	-
Prior Year Encumbrances Appropriated	<u>32,922</u>	<u>32,922</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 23,305</u>	<u>\$ 56,567</u>	<u>\$ 33,262</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget- Over (Under)</u>
	<u>Final</u>	<u>Actual</u>	
Race to the Top Fund			
Fund Balance at Beginning of Year	\$ 1,050	\$ 1,050	\$ -
Fund Balance at End of Year	<u>\$ 1,050</u>	<u>\$ 1,050</u>	<u>\$ -</u>
ESSER Fund			
Total Revenues and Other Sources	\$ 3,951,939	\$ 2,298,179	\$ (1,653,760)
Total Expenditures and Other Uses	<u>3,548,368</u>	<u>2,003,579</u>	<u>1,544,789</u>
Net Change in Fund Balances	403,571	294,600	(108,971)
Fund Balance (Deficit) at Beginning of Year	(1,144,297)	(1,144,297)	-
Prior Year Encumbrances Appropriated	<u>740,726</u>	<u>740,726</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ (108,971)</u>	<u>\$ (108,971)</u>
Special Education Fund			
Total Revenues and Other Sources	\$ 960,086	\$ 892,243	\$ (67,843)
Total Expenditures and Other Uses	<u>920,539</u>	<u>847,638</u>	<u>72,901</u>
Net Change in Fund Balances	39,547	44,605	5,058
Fund Balance (Deficit) at Beginning of Year	(128,115)	(128,115)	-
Prior Year Encumbrances Appropriated	<u>88,568</u>	<u>88,568</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 5,058</u>	<u>\$ 5,058</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		Variance with Final Budget- Over (Under)
	<u>Final</u>	<u>Actual</u>	
Title I Fund			
Total Revenues and Other Sources	\$ 653,166	\$ 502,940	\$ (150,226)
Total Expenditures and Other Uses	<u>619,614</u>	<u>490,223</u>	<u>129,391</u>
Net Change in Fund Balances	33,552	12,717	(20,835)
Fund Balance (Deficit) at Beginning of Year	(45,482)	(45,482)	-
Prior Year Encumbrances Appropriated	<u>11,930</u>	<u>11,930</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ (20,835)</u>	<u>\$ (20,835)</u>
Title IV-A Fund			
Total Revenues and Other Sources	\$ 59,799	\$ 12,291	\$ (47,508)
Total Expenditures and Other Uses	<u>58,759</u>	<u>19,251</u>	<u>39,508</u>
Net Change in Fund Balances	1,040	(6,960)	(8,000)
Fund Balance (Deficit) at Beginning of Year	<u>(1,040)</u>	<u>(1,040)</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ (8,000)</u>	<u>\$ (8,000)</u>
Preschool Handicapped Grant Fund			
Total Revenues and Other Sources	\$ 13,116	\$ 13,116	\$ -
Total Expenditures and Other Uses	<u>13,116</u>	<u>13,116</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Title II-A Fund			
Total Revenues and Other Sources	\$ 188,774	\$ 116,799	\$ (71,975)
Total Expenditures and Other Uses	<u>184,941</u>	<u>129,510</u>	<u>55,431</u>
Net Change in Fund Balances	3,833	(12,711)	(16,544)
Fund Balance (Deficit) at Beginning of Year	(5,133)	(5,133)	-
Prior Year Encumbrances Appropriated	<u>1,300</u>	<u>1,300</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ (16,544)</u>	<u>\$ (16,544)</u>



STATISTICAL SECTION



**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

STATISTICAL SECTION

This part of the Vandalia-Butler City School District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

<u>Table of Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	112-121
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	122-127
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	128-134
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.	135-136
Operating Information These schedules contain service and capital asset data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	137-140

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year. Fiscal year 2015 was the School District's first year implementation of GASB 68/71. Fiscal year 2018 was the School District's first year implementation of GASB 75. Fiscal Year 2020 was the School District's first year implementation of GASB 84.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
GOVERNMENTAL ACTIVITIES*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020 (4)</u>
Governmental activities				
Net investment in capital assets	\$ 6,499,091	\$ 5,393,449	\$ 1,505,596	\$ 1,829,026
Restricted for:				
Debt service	1,863,965	1,584,403	3,643,784	3,111,473
Capital projects	-	-	-	-
Other purposes	1,353,066	540,595	146,082	356,547
Unrestricted (deficit)	<u>(31,614,411)</u>	<u>(26,773,193)</u>	<u>(28,433,764)</u>	<u>(25,823,021)</u>
Total Net Position	<u>\$ (21,898,289)</u>	<u>\$ (19,254,746)</u>	<u>\$ (23,138,302)</u>	<u>\$ (20,525,975)</u>

Source: School District financial records.

- (1) Amounts restated due to the implementation of GASB Statement No. 68 & 71.
- (2) Amount restated to to the implementation of GASB Statement No. 75 and a restatement of capital assets.
- (3) Amount restated to to the implementation of GASB Statement No. 84.
- (4) Amounts restated due to revaluation of School District capital assets

2019 (3)	2018	2017 (2)	2016	2015	2014 (1)
\$ (1,650,343)	\$ (1,190,028)	\$ (1,987,524)	\$ (1,597,889)	\$ (1,184,628)	\$ (484,368)
2,239,434	1,857,724	1,409,866	1,415,459	463,765	1,630,533
-	-	31,712	31,712	31,712	31,044
186,069	253,155	312,766	381,085	388,577	404,195
<u>(20,663,363)</u>	<u>(22,113,644)</u>	<u>(38,459,896)</u>	<u>(29,951,139)</u>	<u>(33,544,720)</u>	<u>(39,371,130)</u>
<u>\$ (19,888,203)</u>	<u>\$ (21,192,793)</u>	<u>\$ (38,693,076)</u>	<u>\$ (29,720,772)</u>	<u>\$ (33,845,294)</u>	<u>\$ (37,789,726)</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
GOVERNMENTAL ACTIVITIES*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenses				
Governmental activities:				
Instruction				
Regular	\$ 18,179,589	\$ 15,611,715	\$ 17,212,979	\$ 16,515,590
Special	8,692,494	7,226,547	8,393,203	8,395,743
Vocational	136,663	125,321	150,145	107,357
Other	909,479	1,294,829	2,384,163	1,687,482
Support services:				
Pupil	3,925,289	3,565,496	3,819,912	3,735,732
Instructional staff	696,723	699,555	906,198	759,882
Board of education	26,153	32,568	17,157	44,929
Administration	2,925,170	2,479,487	2,891,491	2,715,437
Business and Fiscal	1,405,844	1,348,830	1,317,225	1,385,901
Operations and maintenance	3,339,134	3,563,826	3,524,410	3,219,040
Pupil transportation	2,662,415	2,364,991	2,103,386	2,246,347
Central	617,444	703,622	1,421,672	616,392
Operation of non-instructional services	1,570,704	1,762,733	1,616,927	1,748,174
Extracurricular activities	1,329,124	1,189,758	938,289	1,162,413
Interest and fiscal charges	1,355,332	1,552,918	1,643,143	1,770,477
Total expenses	<u>47,771,557</u>	<u>43,522,196</u>	<u>48,340,300</u>	<u>46,110,896</u>
Program Revenues				
Charges for services:				
Instruction:				
Regular	552,555	582,840	482,924	532,979
Special	120,194	158,728	173,416	257,739
Support services:				
Instructional staff	3,535	1,471	-	1,260
Administration	452	-	-	-
Business and fiscal	-	-	-	-
Operations and maintenance	42,970	43,934	48,388	65,183
Pupil transportation	3,780	6,440	5,145	4,700
Central	-	-	3,365	-
Operation of non-instructional services	881,920	400,613	282,052	738,855
Extracurricular activities	513,952	517,912	254,305	355,532
Total charges for services	<u>2,119,358</u>	<u>1,711,938</u>	<u>1,249,595</u>	<u>1,956,248</u>

	2019	2018	2017	2016	2015	2014
\$	12,328,864	\$ 6,031,402	\$ 13,377,481	\$ 12,254,585	\$ 12,854,072	\$ 12,533,864
	7,039,547	4,375,068	6,126,422	5,938,086	4,823,854	4,797,836
	140,457	51,188	124,191	111,072	74,588	163,168
	1,714,263	1,646,675	2,031,034	1,422,141	2,048,218	1,962,327
	2,995,156	1,348,970	2,267,876	2,466,891	2,717,798	2,670,711
	769,204	706,095	1,520,003	759,097	1,161,188	1,239,596
	29,071	17,802	48,292	21,332	23,330	22,660
	2,311,084	1,044,199	2,339,318	2,215,861	1,921,358	1,990,412
	1,200,311	828,075	1,210,506	1,191,085	1,278,338	1,115,092
	2,617,297	2,308,914	2,819,726	2,448,628	2,334,581	2,927,525
	2,398,335	2,122,766	1,990,006	1,767,904	1,559,492	1,415,855
	541,737	479,474	562,886	565,096	192,475	198,884
	1,715,447	1,251,517	1,944,001	1,656,622	1,784,398	1,555,594
	969,830	575,219	1,039,167	734,797	574,349	534,579
	2,018,582	2,370,917	2,491,622	2,641,845	2,885,244	2,598,370
	<u>38,789,185</u>	<u>25,158,281</u>	<u>39,892,531</u>	<u>36,195,042</u>	<u>36,233,283</u>	<u>35,726,473</u>
	429,091	888,320	437,030	768,088	325,162	636,358
	288,929	158,949	124,115	339,986	265,163	270,741
	-	-	-	13,324	118,630	70,306
	-	-	-	-	19,319	21,416
	-	-	2	-	4,739	55,698
	43,477	27,963	23,317	40,892	31,801	16,546
	5,625	3,930	-	6,692	6,930	50,337
	-	-	8,077	-	-	-
	925,662	887,679	898,195	853,036	839,134	866,340
	257,875	296,037	431,735	369,209	444,616	423,619
	<u>1,950,659</u>	<u>2,262,878</u>	<u>1,922,471</u>	<u>2,391,227</u>	<u>2,055,494</u>	<u>2,411,361</u>

- Continued

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*CHANGES IN NET POSITION - (Continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
GOVERNMENTAL ACTIVITIES*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating grants and contributions:				
Instruction:				
Regular	588,225	425,300	616,806	161,325
Special	1,459,779	1,452,385	1,753,156	1,688,657
Vocational	1,775	1,017	18,083	18,083
Other instructional	-	-	-	-
Support services:				
Pupil	1,260,537	1,277,244	602,811	392,341
Instructional staff	108,770	39,087	224,406	116,779
Administration	30,883	29,057	33,746	32,538
Business and fiscal	-	-	6,895	11,707
Operations and maintenance	783,167	521,616	110,241	-
Pupil transportation	189,959	162,392	71,655	66,785
Central	86,517	16,200	375,237	-
Operation of non-instructional services	792,793	1,812,176	943,765	583,805
Extracurricular activities	-	1,420	1,444	1,752
Total operating grants and contributions	<u>5,302,405</u>	<u>5,737,894</u>	<u>4,758,245</u>	<u>3,073,772</u>
Capital grants and contributions:				
Support services:				
Administration	-	-	-	-
Operations and maintenance	-	-	-	-
Total capital grants and contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total program revenues	<u>7,421,763</u>	<u>7,449,832</u>	<u>6,007,840</u>	<u>5,030,020</u>
Net (Expense)/Revenue				
Governmental activities	<u>\$ (40,349,794)</u>	<u>\$ (36,072,364)</u>	<u>\$ (42,332,460)</u>	<u>\$ (41,080,876)</u>
General Revenues				
Property taxes levied for:				
General purposes	\$ 23,219,036	\$ 26,616,932	\$ 24,703,900	\$ 22,625,203
Debt service	3,169,152	3,613,663	3,502,138	3,249,587
Payment in lieu of taxes	2,960,865	1,973,871	2,700,173	2,430,288
Grants and entitlements not restricted to specific programs	7,429,024	7,323,534	7,855,009	7,578,719
Investment earnings	333,903	(102,653)	33,244	526,074
Miscellaneous	594,271	530,573	925,669	325,629
Total governmental activities	<u>37,706,251</u>	<u>39,955,920</u>	<u>39,720,133</u>	<u>36,735,500</u>
Change in Net Position				
Governmental activities	<u>\$ (2,643,543)</u>	<u>\$ 3,883,556</u>	<u>\$ (2,612,327)</u>	<u>\$ (4,345,376)</u>

Source: School District financial records.

2019	2018	2017	2016	2015	2014
10,949	20,495	8,569	8,900	43,040	169,114
1,700,204	1,908,875	1,515,558	1,621,160	1,495,513	1,563,453
17,940	16,949	13,261	17,441	17,333	16,587
-	-	-	-	-	21,800
449,630	326,875	119,168	99,339	97,352	333,953
73,165	158,866	915,047	94,537	142,998	158,736
44,084	6,320	36,548	43,315	35,834	51,489
7,358	10,372	10,177	10,544	10,293	2,621
-	-	4	1,548	16,422	4,135
131,401	144,614	123,143	88,362	52,028	99,941
-	-	-	-	2,735	-
750,917	725,073	815,055	730,195	770,384	606,256
1,268	117,412	56,885	68,622	14,034	517
<u>3,186,916</u>	<u>3,435,851</u>	<u>3,613,415</u>	<u>2,783,963</u>	<u>2,697,966</u>	<u>3,028,602</u>
-	771,561	-	-	-	-
-	-	-	-	-	436
-	<u>771,561</u>	-	-	-	<u>436</u>
<u>5,137,575</u>	<u>6,470,290</u>	<u>5,535,886</u>	<u>5,175,190</u>	<u>4,753,460</u>	<u>5,440,399</u>
<u>\$ (33,651,610)</u>	<u>\$ (18,687,991)</u>	<u>\$ (34,356,645)</u>	<u>\$ (31,019,852)</u>	<u>\$ (31,479,823)</u>	<u>\$ (30,286,074)</u>
\$ 21,485,989	\$ 23,263,208	\$ 22,529,610	\$ 21,680,644	\$ 22,407,753	\$ 19,619,494
2,853,391	3,091,288	3,188,974	3,059,501	3,091,260	2,997,705
912,238	988,861	1,115,807	1,058,075	735,631	748,597
8,628,293	8,453,593	8,943,941	9,145,686	9,099,448	9,193,259
641,559	213,996	147,363	170,691	7,079	38,255
313,457	177,328	154,072	29,777	83,084	175,954
<u>34,834,927</u>	<u>36,188,274</u>	<u>36,079,767</u>	<u>35,144,374</u>	<u>35,424,255</u>	<u>32,773,264</u>
<u>\$ 1,183,317</u>	<u>\$ 17,500,283</u>	<u>\$ 1,723,122</u>	<u>\$ 4,124,522</u>	<u>\$ 3,944,432</u>	<u>\$ 2,487,190</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Fund:				
Nonspendable	\$ 95,245	\$ 61,270	\$ 76,699	\$ 76,637
Assigned	1,262,598	7,230,908	5,087,916	7,774,235
Unassigned	<u>3,821,773</u>	<u>2,098,777</u>	<u>4,259,927</u>	<u>2,675,886</u>
Total general fund	<u>\$ 5,179,616</u>	<u>\$ 9,390,955</u>	<u>\$ 9,424,542</u>	<u>\$ 10,526,758</u>
All Other Governmental Funds:				
Nonspendable	\$ 1,092	\$ 6,008	\$ 4,120	\$ 4,035
Restricted	3,182,166	2,717,786	4,238,726	3,931,883
Committed	-	-	-	-
Unassigned (deficit)	<u>(287,423)</u>	<u>(45,030)</u>	<u>(164,717)</u>	<u>(160,736)</u>
Total all other governmental funds	<u>\$ 2,895,835</u>	<u>\$ 2,678,764</u>	<u>\$ 4,078,129</u>	<u>\$ 3,775,182</u>
Total governmental funds	<u>\$ 8,075,451</u>	<u>\$ 12,069,719</u>	<u>\$ 13,502,671</u>	<u>\$ 14,301,940</u>

Source: School District financial records.

(1) Amounts have been reclassified to conform to 2020's presentation

Note: The District implemented GASB 84 in fiscal year 2020.

2019 (1)	2018	2017	2016	2015	2014
\$ 75,009	\$ 95,572	\$ 69,089	\$ 25,914	\$ 47,405	\$ 55,216
7,120,202	2,180,009	1,863,659	1,286,370	1,374,728	1,043,776
5,675,368	13,285,993	12,492,792	10,403,109	7,021,210	2,359,340
<u>\$ 12,870,579</u>	<u>\$ 15,561,574</u>	<u>\$ 14,425,540</u>	<u>\$ 11,715,393</u>	<u>\$ 8,443,343</u>	<u>\$ 3,458,332</u>
\$ 3,947	\$ 1,334	\$ 4,574	\$ -	\$ -	\$ 6,407
3,549,375	3,712,327	3,564,274	3,293,294	1,969,909	2,866,727
2,886	2,618	2,735	2,631	1,157	5,258
<u>(157,842)</u>	<u>(46,304)</u>	<u>(67,745)</u>	<u>(14,246)</u>	<u>(20,213)</u>	<u>(15,003)</u>
<u>\$ 3,398,366</u>	<u>\$ 3,669,975</u>	<u>\$ 3,503,838</u>	<u>\$ 3,281,679</u>	<u>\$ 1,950,853</u>	<u>\$ 2,863,389</u>
<u>\$ 16,268,945</u>	<u>\$ 19,231,549</u>	<u>\$ 17,929,378</u>	<u>\$ 14,997,072</u>	<u>\$ 10,394,196</u>	<u>\$ 6,321,721</u>

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenues				
Property taxes	\$ 26,600,000	\$ 30,936,668	\$ 27,552,419	\$ 25,873,592
Intergovernmental	12,527,391	13,056,842	12,559,100	10,697,244
Investment earnings	331,940	(96,454)	32,814	537,901
Tuition and fees	668,251	736,387	656,600	618,940
Extracurricular	514,939	519,383	252,805	355,292
Rental income	42,970	43,934	48,388	65,183
Charges for services	893,198	412,234	291,802	463,876
Contributions and donations	1,310	1,420	1,444	1,752
Payment in lieu of taxes	2,960,865	2,180,735	2,493,309	2,462,931
Transportation fees	-	-	-	4,700
Classroom materials and fees	-	-	-	167,552
Contract services	-	-	-	280,705
Miscellaneous	594,271	535,691	925,669	325,629
Total revenues	<u>45,135,135</u>	<u>48,326,840</u>	<u>44,814,350</u>	<u>41,855,297</u>
Expenditures				
Current:				
Instructional:				
Regular	16,695,352	15,962,283	15,244,284	14,801,342
Special	8,824,067	7,670,331	7,598,569	7,645,291
Vocational	169,961	135,607	131,899	122,433
Other	909,489	1,296,147	2,267,264	1,621,779
Support services:				
Pupil	3,924,066	3,715,667	3,449,064	3,357,950
Instructional staff	842,384	717,275	827,174	672,653
Board of education	26,155	33,217	15,893	42,888
Administration	2,866,630	2,679,429	2,551,477	2,350,261
Business and fiscal	1,372,770	1,424,813	1,206,870	1,142,986
Operations and maintenance	4,088,340	3,658,423	3,292,087	2,845,626
Pupil transportation	2,386,741	2,551,133	1,991,426	1,942,622
Central	664,227	722,189	1,058,521	555,961
Operation of non-instructional services	1,573,544	1,807,711	1,489,389	1,554,313
Extracurricular activities	1,200,711	1,105,789	845,894	1,557,719
Facilities acquisition and construction	-	-	-	-
Capital outlay	-	555,593	-	-
Debt service:				
Principal retirement	2,298,695	2,122,629	1,873,350	1,075,749
Interest and fiscal charges	1,127,407	1,004,636	1,553,808	1,598,478
Issuance costs and accretion on CABs	158,870	3,557,571	216,650	934,251
Total expenditures	<u>49,129,409</u>	<u>50,720,443</u>	<u>45,613,619</u>	<u>43,822,302</u>
Excess of revenues over (under) expenditures	(3,994,274)	(2,393,603)	(799,269)	(1,967,005)
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	-
General obligation and refunding bonds issued	-	22,170,000	-	-
Premiums on bonds issued	-	462,421	-	-
Payment to refunded bond escrow agent	-	(22,226,592)	-	-
Inception of capital lease	-	554,822	-	-
Transfers in	-	63,702	257,630	-
Transfers (out)	-	(63,702)	(257,630)	-
Total other financing sources (uses)	<u>-</u>	<u>960,651</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (3,994,274)</u>	<u>\$ (1,432,952)</u>	<u>\$ (799,269)</u>	<u>\$ (1,967,005)</u>
Capital expenditures	\$ 1,309,664	\$ 994,709	\$ 56,275	\$ 661,943
Debt service as a percentage of noncapital expenditures	7.16%	6.29%	7.52%	6.20%

Source: School District financial records.

	2019	2018	2017	2016	2015	2014
\$	24,411,340	\$ 26,460,231	\$ 25,712,380	\$ 24,756,016	\$ 25,444,159	\$ 22,570,961
	11,788,838	11,755,277	12,377,630	11,794,191	11,680,659	12,271,550
	637,410	212,402	134,355	171,205	4,007	40,420
	544,172	873,100	388,679	934,597	425,895	748,321
	257,875	296,037	431,735	369,209	560,169	486,166
	43,477	27,963	23,313	26,284	21,638	11,698
	560,542	549,338	538,228	529,724	529,869	589,426
	1,268	1,482	1,504	1,474	175,999	126,730
	886,025	982,431	1,115,807	1,058,075	735,631	748,597
	5,625	3,930	8,077	6,692	6,930	50,337
	169,207	172,069	170,867	172,327	164,930	158,778
	369,761	340,441	361,572	352,394	346,063	366,635
	313,457	326,887	278,923	157,555	51,035	190,342
	<u>39,988,997</u>	<u>42,001,588</u>	<u>41,543,070</u>	<u>40,329,743</u>	<u>40,146,984</u>	<u>38,359,961</u>
	13,713,230	12,708,986	12,039,942	11,546,297	12,251,790	11,971,419
	7,526,831	6,879,502	5,664,760	5,712,405	4,695,750	4,579,251
	120,602	117,921	112,788	108,019	71,253	152,193
	1,661,952	1,628,335	1,939,047	1,353,690	1,954,433	1,868,560
	3,180,601	2,271,563	2,123,602	2,364,577	2,676,298	2,655,445
	719,626	778,688	1,446,183	593,223	851,151	953,301
	28,975	19,863	45,938	20,457	22,485	21,577
	2,572,845	2,286,078	2,184,516	2,144,769	1,895,745	1,886,110
	1,305,123	1,263,622	1,031,064	1,057,052	1,182,665	1,298,845
	2,917,107	2,897,464	2,681,149	2,423,627	2,316,359	2,780,614
	2,094,628	1,801,658	1,616,105	1,390,849	1,859,412	1,342,488
	559,629	551,147	534,290	542,655	235,699	203,838
	1,831,148	1,780,314	1,776,398	1,537,080	1,652,808	1,469,766
	901,656	881,607	938,464	681,043	561,998	471,594
	217,305	595,235	266,095	-	-	10,070
	-	-	-	-	2,621,204	-
	1,108,955	2,541,040	2,401,397	2,293,651	2,070,122	1,383,810
	1,631,793	1,700,954	1,820,507	1,989,341	2,262,968	2,454,714
	999,653	212,645	205,968	223,832	418,761	-
	<u>43,091,659</u>	<u>40,916,622</u>	<u>38,828,213</u>	<u>35,982,567</u>	<u>39,600,901</u>	<u>35,503,595</u>
	(3,102,662)	1,084,966	2,714,857	4,347,176	546,083	2,856,366
	18,785	1,397	11,481	31,868	478,864	220,313
	-	10,160,000	8,821,849	8,329,988	16,569,983	-
	-	957,937	1,011,087	1,662,901	2,988,711	-
	-	(10,902,129)	(9,626,968)	(9,769,057)	(19,132,370)	-
	-	-	-	-	2,621,204	-
	-	-	-	1,254,388	1,254,388	117,393
	-	-	-	(1,254,388)	(1,254,388)	(117,393)
	<u>18,785</u>	<u>217,205</u>	<u>217,449</u>	<u>255,700</u>	<u>3,526,392</u>	<u>220,313</u>
\$	<u>(3,083,877)</u>	<u>\$ 1,302,171</u>	<u>\$ 2,932,306</u>	<u>\$ 4,602,876</u>	<u>\$ 4,072,475</u>	<u>\$ 3,076,679</u>
\$	360,511	\$ 630,421	\$ 358,251	\$ 50,084	\$ 2,874,359	\$ 311,209
	6.41%	10.53%	10.97%	11.92%	11.80%	10.91%

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN COLLECTION (CALENDAR) YEARS*

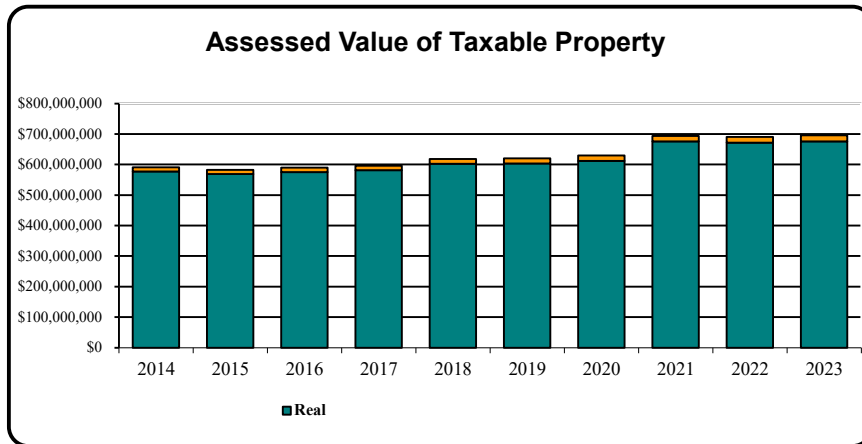
Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
2023	\$ 484,443,310	\$ 191,407,760	\$ 1,931,003,057	\$ 20,241,070	\$ 80,964,280
2022	484,513,810	187,417,280	1,919,803,114	18,986,300	75,945,200
2021	483,772,340	192,046,000	1,930,909,543	17,991,340	71,965,360
2020	431,768,420	180,298,650	1,748,763,057	17,742,140	70,968,560
2019	432,298,060	171,571,910	1,725,342,771	16,567,860	66,271,440
2018	431,761,520	170,855,370	1,721,762,543	15,786,060	63,144,240
2017	416,049,720	165,186,620	1,660,675,257	15,241,160	60,964,640
2016	413,976,050	161,175,140	1,643,289,114	14,375,970	57,503,880
2015	413,718,530	155,459,650	1,626,223,371	13,740,700	54,962,800
2014	419,054,650	158,213,340	1,649,337,114	13,313,880	53,255,520

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal. The assessed value of real property (including public utility real property) is 35 percent of estimated true value.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed.

Source: Office of the County Auditor, Montgomery County, Ohio

Assessed Value	Total		Total Direct Rate
	Estimated Actual Value	Ratio	
\$ 696,092,140	\$ 2,011,967,337	34.60%	\$ 61.35
690,917,390	1,995,748,314	34.62%	61.25
693,809,680	2,002,874,903	34.64%	61.05
629,809,210	1,819,731,617	34.61%	61.70
620,437,830	1,791,614,211	34.63%	61.63
618,402,950	1,784,906,783	34.65%	61.65
596,477,500	1,721,639,897	34.65%	62.48
589,527,160	1,700,792,994	34.66%	62.48
582,918,880	1,681,186,171	34.67%	62.53
590,581,870	1,702,592,634	34.69%	62.48



**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*PRINCIPAL PROPERTY TAX PAYERS
REAL ESTATE TAX
CURRENT CALENDAR YEAR AND NINE YEARS AGO*

Name of Taxpayer	2023	
	Assessed Value	Percent of Real Property Assessed Value
City of Dayton	\$ 10,266,250	1.52%
Industrial Logistics Properties	7,783,190	1.15%
Sand Lake Property LLC	2,975,000	0.44%
6400 Sand Lake Property LLC	2,747,500	0.41%
4120 Dayton OH Hotel LLC	2,310,000	0.34%
DABA LLC	2,257,500	0.33%
KRF Dayton LLC	2,249,340	0.33%
Dayton Webster Street LLC	2,183,200	0.32%
Realty Income Properties 6 LLC	2,084,950	0.31%
JDS Commercial Holdings LLC	2,015,980	0.30%
Totals	<u>\$ 36,872,910</u>	<u>5.45%</u>
Total Assessed Valuation	<u>\$ 675,851,070</u>	

Name of Taxpayer	2014	
	Assessed Value	Percent of Real Property Assessed Value
City of Dayton	\$ 10,739,920	1.86%
MO Northwoods, LLC	2,659,560	0.46%
Pasco Enterprise Inc	2,307,820	0.40%
Wal-Mart Stores, Inc.	2,285,620	0.40%
Sand Lake Plaza LLC	2,126,040	0.37%
A Ray Brown Family Investment Limited Partnership	1,875,460	0.32%
Garrett-Ryan, LLC	1,871,280	0.32%
Moor Partners, LLP	1,760,380	0.30%
W2005/Fargo Hotels (PoolC) Realty LP	1,724,610	0.30%
Floriday LLC	1,705,850	0.30%
Totals	<u>\$ 29,056,540</u>	<u>5.03%</u>
Total Assessed Valuation	<u>\$ 577,267,990</u>	

Source: Montgomery County Auditor

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*PRINCIPAL PROPERTY TAX PAYERS
PUBLIC UTILITY TAX
CURRENT CALENDAR YEAR AND NINE YEARS AGO*

Name of Taxpayer	2023	
	Assessed Value	Percent of Public Utility Assessed Value
Dayton Power and Light	\$ 16,286,860	80.46%
Vectren Energy Delivery	3,556,170	17.57%
Total	\$ 19,843,030	98.03%
Total Assessed Valuation	\$ 20,241,070	
	2014	
Name of Taxpayer	Assessed Value	Percent of Public Utility Assessed Value
Dayton Power and Light Co	\$ 12,172,990	91.43%
Vectren Energy Delivery of Ohio	1,052,230	7.90%
Buckeye Power, Inc.	85,630	0.64%
Total	\$ 13,310,850	99.97%
Total Assessed Valuation	\$ 13,313,880	

Source: Montgomery County Auditor

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN COLLECTION (CALENDAR) YEARS (1)
2014-2023*

Collection Year	Montgomery County	Dayton Metro Library	Butler Township	City of Vandalia	City of Union	Miami Valley Career Technology Center	Vandalia-Butler City School District		
							General	Bond Retirement	Total
2023	\$ 23.14	\$ 3.04	\$ 20.44	\$ 4.14	\$ 22.13	\$ 3.93	\$ 56.00	\$ 5.35	\$ 61.35
2022	23.14	3.09	20.44	4.14	22.13	3.96	55.90	5.35	61.25
2021	23.14	3.15	20.44	4.14	22.13	3.96	55.70	5.35	61.05
2020	23.14	3.15	20.44	4.14	22.13	4.01	56.20	5.50	61.70
2019	22.94	3.31	20.44	4.14	17.13	4.01	56.13	5.50	61.63
2018	22.94	3.31	20.44	4.14	17.13	2.58	56.15	5.50	61.65
2017	22.94	3.31	16.94	4.14	17.13	2.58	56.48	6.00	62.48
2016	21.94	3.31	16.94	4.14	17.13	2.58	56.48	6.00	62.48
2015	20.94	3.31	16.94	4.14	17.13	2.58	56.53	6.00	62.53
2014	20.94	3.31	16.94	4.14	17.13	2.58	56.53	6.00	62.53

Source: Montgomery County Auditor.

(1) Montgomery County property tax rate records are maintained on a calendar / collection year basis.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*PROPERTY TAX LEVIES AND COLLECTIONS - REAL, PERSONAL, AND PUBLIC UTILITY PROPERTY
LAST TEN COLLECTION (CALENDAR) YEARS
2013-2022*

Collection Year	Current Levy (1)	Current Collection (2)	Percent of Current Levy Collected	Delinquent Collection (4)	Total Collection (2)	Percent of Total Tax Collections to Current Levy (4)	Outstanding Delinquent Taxes (3)	Total Collection As a Percent of Current Levy
2022	\$ 30,511,646	\$ 30,034,189	98.44%	\$ 553,167	\$ 30,587,356	100.25%	\$ 170,925	0.56%
2021	30,466,567	29,689,750	97.45%	602,280	30,292,030	99.43%	382,737	1.26%
2020	29,077,375	28,329,530	97.43%	628,691	28,958,221	99.59%	440,816	1.52%
2019	28,671,360	28,107,960	98.03%	666,960	28,774,920	100.36%	434,396	1.52%
2018	28,548,150	27,862,011	97.60%	628,891	28,490,902	99.80%	485,083	1.70%
2017	28,463,390	27,797,345	97.66%	458,330	28,255,675	99.27%	504,016	1.77%
2016	28,201,263	27,714,879	98.28%	645,864	28,360,743	100.57%	599,675	2.13%
2015	27,904,466	27,104,246	97.13%	688,822	27,793,068	99.60%	593,171	2.13%
2014	23,966,930	23,164,343	96.65%	416,890	23,581,233	98.39%	606,196	2.53%
2013	28,092,209	27,147,308	96.64%	350,456	27,497,764	97.88%	541,966	1.93%

Source: Montgomery County Auditor.

(1) Taxes levied and collected are presented on a cash basis.

(2) State reimbursements of rollback and homestead exemptions are included.

(3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

(4) Delinquent Tax Collections are only available by collection year; therefore the percentage of total tax collections to the current levy may exceed 100 percent in some years. The School District will continue to work to get this information in the future.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN YEARS
2014-2023*

Collection Year	Population (1)	Total Assessed Value (2)	Gross Bonded Debt (3)	Less Restricted for Debt Service	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Percentage of Personal Income (4)
2023	23,478	\$ 696,092,140	\$ 40,798,940	\$ 1,863,965	\$ 38,934,975	5.59%	\$1,658	5.07%
2022	23,359	690,917,390	43,345,911	1,584,403	41,761,508	6.04%	1,788	5.74%
2021	23,478	693,809,680	47,100,363	3,145,688	43,954,675	6.34%	1,872	6.23%
2020	22,663	629,809,210	49,333,075	3,111,473	46,221,602	7.34%	2,040	7.08%
2019	22,663	620,437,830	51,392,086	2,239,434	49,152,652	7.92%	2,169	7.86%
2018	22,947	618,402,950	53,203,458	1,857,724	51,345,734	8.30%	2,238	8.48%
2017	22,952	596,477,500	54,439,174	1,409,866	53,029,308	8.89%	2,310	8.98%
2016	22,990	589,527,160	55,130,480	1,415,459	53,715,021	9.11%	2,336	8.57%
2015	23,025	582,918,880	54,857,334	463,765	54,393,569	9.33%	2,362	8.82%
2014	23,665	590,581,870	53,294,705	1,630,533	51,664,172	8.75%	2,183	8.07%

Sources:

- (1) Census data for 2020, estimates from the City of Vandalia and Butler Township.
- (2) Montgomery County Auditor, calendar year basis.
- (3) Gross Bonded Debt includes premiums and accreted debt associated with the general obligation bonds.
- (4) Personal Income reported as in Census data multiplied times the population to yield total personal income.



**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Valuation	\$ 696,092,140	\$ 690,917,390	\$ 693,809,680	\$ 629,809,210
Debt Limit - 9% of Taxable Valuation	<u>62,648,293</u>	<u>62,182,565</u>	<u>62,442,871</u>	<u>56,682,829</u>
Amount of Debt Applicable to Debt Limit				
General obligation bonds	36,422,886	38,349,016	40,336,065	41,929,415
Less: amount available in debt service	<u>(2,561,716)</u>	<u>(2,161,975)</u>	<u>(4,058,540)</u>	<u>(3,576,195)</u>
Amount of Debt Subject to Limit	<u>33,861,170</u>	<u>36,187,041</u>	<u>36,277,525</u>	<u>38,353,220</u>
Legal debt margin	<u>\$ 28,787,123</u>	<u>\$ 25,995,524</u>	<u>\$ 26,165,346</u>	<u>\$ 18,329,609</u>
Legal debt margin as a percentage of the debt limit	45.95%	41.81%	41.90%	32.34%
Energy conservation debt limit - 0.90% of assessed value (1)	6,264,829	6,218,257	6,244,287	5,668,283
Amount of Debt Subject to Limit	<u>1,025,000</u>	<u>1,325,000</u>	<u>1,610,000</u>	<u>1,890,000</u>
Unvoted legal debt margin	<u>\$ 5,239,829</u>	<u>\$ 4,893,257</u>	<u>\$ 4,634,287</u>	<u>\$ 3,778,283</u>
Unvoted legal debt margin as a percentage of the debt limit	83.64%	78.69%	74.22%	66.66%
Unvoted debt limit - 0.10% of taxable valuation (1)	696,092	690,917	693,810	629,809
Amount of Debt Subject to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted legal debt margin	<u>\$ 696,092</u>	<u>\$ 690,917</u>	<u>\$ 693,810</u>	<u>\$ 629,809</u>
Unvoted legal debt margin as a percentage of the debt limit	100.00%	100.00%	100.00%	100.00%

Source: Montgomery County Auditor and School District Financial Records

(1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>\$ 620,437,830</u>	<u>\$ 618,402,950</u>	<u>\$ 596,477,500</u>	<u>\$ 589,527,160</u>	<u>\$ 582,918,880</u>	<u>\$ 590,581,870</u>
<u>55,839,405</u>	<u>55,656,266</u>	<u>53,682,975</u>	<u>53,057,444</u>	<u>52,462,699</u>	<u>53,152,368</u>
<u>42,740,164</u> <u>(3,298,137)</u>	<u>43,435,511</u> <u>(3,386,092)</u>	<u>44,429,085</u> <u>(3,184,116)</u>	<u>45,799,706</u> <u>(2,791,154)</u>	<u>47,029,170</u> <u>(1,451,670)</u>	<u>48,084,187</u> <u>(2,372,139)</u>
<u>39,442,027</u>	<u>40,049,419</u>	<u>41,244,969</u>	<u>43,008,552</u>	<u>45,577,500</u>	<u>45,712,048</u>
<u>\$ 16,397,378</u>	<u>\$ 15,606,847</u>	<u>\$ 12,438,006</u>	<u>\$ 10,048,892</u>	<u>\$ 6,885,199</u>	<u>\$ 7,440,320</u>
29.37%	28.04%	23.17%	18.94%	13.12%	14.00%
<u>5,583,940</u>	<u>5,565,627</u>	<u>5,368,298</u>	<u>5,305,744</u>	<u>5,246,270</u>	<u>5,315,237</u>
<u>2,155,000</u>	<u>2,415,000</u>	<u>2,639,833</u>	<u>2,889,833</u>	<u>3,134,833</u>	<u>3,357,953</u>
<u>\$ 3,428,940</u>	<u>\$ 3,150,627</u>	<u>\$ 2,728,465</u>	<u>\$ 2,415,911</u>	<u>\$ 2,111,437</u>	<u>\$ 1,957,284</u>
61.41%	56.61%	50.83%	45.53%	40.25%	36.82%
<u>620,438</u>	<u>618,403</u>	<u>596,478</u>	<u>589,527</u>	<u>582,919</u>	<u>590,582</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 620,438</u>	<u>\$ 618,403</u>	<u>\$ 596,478</u>	<u>\$ 589,527</u>	<u>\$ 582,919</u>	<u>\$ 590,582</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS*

Fiscal Year	Governmental Activities		Total Primary Government	Per Capita (2)	Ratio of Total Debt Outstanding to Personal Income (2)
	General Obligation Bonds (1)	Capital Leases & Leases Payable			
2023	\$ 40,798,940	\$ 481,677	\$ 41,280,617	\$ 1,758	5.38%
2022	43,345,911	554,242	43,900,153	1,879	6.03%
2021	47,100,363	-	47,100,363	2,006	6.68%
2020	49,333,075	-	49,333,075	2,177	7.56%
2019	51,392,086	-	51,392,086	2,268	8.22%
2018	53,203,458	153,608	53,357,066	2,325	8.81%
2017	54,439,174	784,646	55,223,820	2,406	9.35%
2016	55,130,480	1,401,045	56,531,525	2,459	9.02%
2015	54,857,334	2,079,696	56,937,030	2,473	9.24%
2014	53,294,705	233,614	53,528,319	2,262	8.36%

Source: School District Records

- (1) General obligation bonds include any premiums and accreted debt associated with the general obligation bonds.
- (2) Personal Income reported multiplied times the population of to yield total personal income.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2023*

Governmental Unit	Gross General Obligation	Percent Applicable to District	Amount Applicable to District
Direct:			
Vandalia-Butler City School District	\$ 41,280,617	100.00%	\$ 41,280,617
Overlapping:			
Miami Valley Career Center	119,886,095	8.44%	10,118,386
Dayton Metro Library District	124,489,986	8.10%	10,083,689
City of Dayton	39,330,000	1.09%	428,697
City of Huber Heights	390,000	17.35%	67,665
Total overlapping	\$ 284,096,081		\$ 20,698,437
Total direct and overlapping debt	\$ 325,376,698		\$ 61,979,054

Source: Ohio Municipal Advisory Council

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to Total General Fund Expenditures
Last Ten Fiscal Years
2014-2023*

Fiscal Year	Principal (1)	Interest and Issuance Costs (1)	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
2023	\$ 2,085,000	\$ 1,066,927	\$ 3,151,927	\$ 40,518,259	7.78%
2022	2,285,000	1,399,256	3,684,256	39,480,592	9.33%
2021	2,090,000	1,553,808	3,643,808	37,789,938	9.64%
2020	2,010,000	1,598,478	3,608,478	37,625,231	9.59%
2019	1,695,000	1,598,801	3,293,801	36,550,897	9.01%
2018	1,655,000	1,832,155	3,487,155	34,233,701	10.19%
2017	1,785,000	1,882,308	3,667,308	31,936,766	11.48%
2016	1,115,000	2,108,559	3,223,559	30,081,209	10.72%
2015	1,295,000	2,555,744	3,850,744	33,678,952	11.43%
2014	1,235,000	2,334,377	3,569,377	29,617,779	12.05%

Source: Vandalia-Butler City School District Financial Records.
(1) Excludes principal and interest paid on tax anticipation notes.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*DEMOGRAPHIC STATISTICS
LAST TEN YEARS
2014-2023*

Year	Population (1)	Per Capita Income (2)	Personal Income	School Enrollment (3)	Average Federal Income (4)	Unemployment Rate Montgomery County (5)
2023	23,478	\$32,692	\$767,542,776	2,878	\$63,795	4.0%
2022	23,359	31,146	727,539,414	2,983	60,575	5.6%
2021	23,478	30,034	705,138,252	2,935	55,629	6.8%
2020	22,663	28,807	652,853,041	2,935	54,100	8.8%
2019	22,663	27,602	625,544,126	2,975	52,146	4.3%
2018	22,947	26,392	605,617,224	2,912	50,322	4.9%
2017	22,952	25,734	590,646,768	3,065	48,665	4.8%
2016	22,990	27,254	626,569,460	3,071	48,099	5.0%
2015	23,025	26,774	616,471,350	2,999	46,482	5.1%
2014	23,665	27,061	640,398,565	3,156	44,888	8.0%

Sources:

- (1) Based on US Census and US Census estimates for City of Vandalia and Butler Township.
- (2) U.S. Census Bureau - Montgomery County, 2020 information most recent available.
- (3) Vandalia-Butler City School District Financial Records.
- (4) Social Security Administration National Average Wage Index
- (5) Ohio Department of Job and Family Services - June

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*PRINCIPAL EMPLOYERS (1)
CURRENT YEAR AND NINE YEARS AGO*

Employer	2022			2013		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
GE Aviation (formerly Smiths Aerospace)	659	1	N/A	538	2	1.02%
Vandalia-Butler City School District	530	2	N/A	551	3	1.04%
SAIA Burgess, Inc. (formerly Johnson Controls)	425	3	N/A	362	6	0.69%
Staffmark Investment LLC (formerly CBS Pers)	423	4	N/A	1,062	1	2.01%
All Service Plastic Molding	409	5	N/A			
City of Vandalia	375	6	N/A	521	4	0.99%
Beau Townsend Ford/Nissan	341	7	N/A	205	10	0.39%
Dayton Freight Lines, Inc.	322	8	N/A			
Kroger Limited Partnership	302	9	N/A	294	7	0.56%
Adare Pharmaceuticals Inc. (formerly Aptalis Pharmatech)	214	10	N/A	232	9	0.44%
Delphi Automotive System				500	5	0.95%
Coorstek Medical LLC (formerly IMDS Holding Corp)				243	8	0.46%
Total	4,000		0.00%	4,508		8.53%
Total Employment within the School District	N/A			52,836		

Source: City of Vandalia ACFR as of December 31, 2022.

Number of employees are based on W-2's filed within the City income tax department without direct contact or confirmation from the employers. The totals may not include part-time and temporary employees.

(1) - Information not available for Butler Township

N/A - Information not available.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction										
Classroom Teachers	154.00	157.00	159.00	125.00	131.00	135.00	127.00	121.50	121.50	122.92
Special Education Teachers and Tutors	22.00	26.00	19.00	53.00	51.00	48.00	49.00	51.00	51.00	48.50
Educational/Media Aides	23.00	26.00	26.00	40.00	33.00	35.00	43.00	43.00	43.00	45.00
Counselor	8.00	6.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00	5.34
Total Instruction	207.00	215.00	211.00	225.00	222.00	225.00	225.00	221.50	221.50	221.76
Support and Administration										
Central Office Support/Administrators	8.00	12.00	16.00	17.00	16.00	17.00	16.00	16.00	16.00	16.00
Principals	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00
Clerical Support	18.00	18.00	15.00	20.00	20.00	17.00	17.00	17.00	17.00	19.00
Professional Support	8.00	11.00	9.00	9.00	9.00	5.00	5.00	5.00	5.00	4.96
Food Service	25.00	25.00	27.00	28.00	32.00	32.00	31.00	31.00	33.00	30.00
Custodial	15.00	15.00	14.00	15.00	17.00	15.00	14.00	14.00	16.00	15.00
Maintenance and Mechanics	5.00	5.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00
Total Support and Administration	87.00	94.00	93.00	101.00	105.00	96.00	93.00	93.00	97.00	94.96
Total Employees	294.00	309.00	304.00	326.00	327.00	321.00	318.00	314.50	318.50	316.72

Source: Fiscal Year October EMIS Reports

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*BUILDING STATISTICS
LAST TEN FISCAL YEARS*

	2023	2022	2021	2020
Demmitt Elementary School				
Constructed in 1957				
Total Building Square Footage 43,977				
Total Acres 11				
Enrollment Grades K-4	345	383	388	422
Student Capacity	426	426	426	426
Regular Instruction Classrooms 15	14	15	15	17
Regular Instruction Teachers	14	15	15	17
Special Instruction Classrooms	12	12	13	8
Special Instruction Teachers	12	12	13	9
Helke Elementary School				
Constructed in 1969				
Total Building Square Footage 42,456				
Total Acres 10.5				
Enrollment Grades K-4	405	400	414	381
Student Capacity	405	405	405	405
Regular Instruction Classrooms	16	17	17	17
Regular Instruction Teachers	16	17	17	17
Special Instruction Classrooms	4	3	2	2
Special Instruction Teachers	4	3	3	3
Morton Middle School				
Constructed in 2011				
Total Building Square Footage 102,100				
Total Acres 16				
Enrollment Grades 5-8	718	711	710	710
Student Capacity	820	820	820	820
Regular Instruction Classrooms	33	33	33	32
Regular Instruction Teachers	35	38	38	36
Special Instruction Classrooms	10	11	11	10
Special Instruction Teachers	10	11	11	11
Smith Middle School				
Constructed in 1969				
Total Building Square Footage 66,113				
Total Acres 84.5				
Enrollment Grades 5-8	457	455	416	453
Student Capacity	511	511	511	511
Regular Instruction Classrooms	19	19	18	18
Regular Instruction Teachers	19	19	18	18
Special Instruction Classrooms	8	8	8	8
Special Instruction Teachers	8	8	8	8
Butler High School				
Constructed in 1956, Renovated in 2011				
Total Building Square Footage 266,000				
Total Acres 23.8				
Enrollment Grades 9-12	953	932	946	973
Student Capacity	1,455	1,455	1,455	1,455
Regular Instruction Classrooms	55	55	55	55
Regular Instruction Teachers	42	42	42	42
Special Instruction Classrooms	11	11	13	10
Special Instruction Teachers	11	11	13	10

Source: Enrollment Oct Fiscal Year EMIS Report

2019	2018	2017	2016	2015	2014
403	435	519	512	420	531
426	426	426	426	426	426
16	16	16	16	16	20
17	14	14	14	14	20
7	7	7	7	7	6
5	9	9	9	9	8
406	387	388	381	378	394
405	405	405	405	405	405
14	14	14	13	13	16
16	14	14	14	14	16
2	2	2	2	2	6
5	4	4	3	3	6
681	664	679	673	730	744
820	820	820	820	820	820
32	32	32	27	27	30
32	37	37	30	30	33
10	10	10	10	10	10
11	11	11	11	11	10
456	454	440	441	426	470
511	511	511	511	511	511
18	18	18	18	18	18
18	18	18	18	18	18
11	11	11	11	11	7
8	14	14	14	14	7
998	1,028	1,037	1,037	1,045	1,085
1,455	1,455	1,455	1,455	1,455	1,455
55	55	55	55	55	50
42	44	44	41	41	42
11	11	11	11	11	12
14	11	11	11	11	12

**VANDALIA-BUTLER CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

*OPERATING STATISTICS
LAST TEN FISCAL YEARS*

Fiscal Year	Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio
2023	\$ 47,771,557	2,878	\$ 16,599	13.77%	208	13.8
2022	43,522,196	2,983	14,590	-11.42%	215	13.9
2021	48,340,300	2,935	16,470	4.83%	215	13.7
2020	46,110,896	2,935	15,711	20.50%	215	13.7
2019	38,789,185	2,975	13,038	50.92%	212	14.0
2018	25,158,281	2,912	8,640	-33.62%	202	14.4
2017	39,892,531	3,065	13,016	10.43%	205	15.0
2016	36,195,042	3,071	11,786	-2.45%	201	15.3
2015	36,233,283	2,999	12,082	6.73%	205	14.6
2014	35,726,473	3,156	11,320	-17.77%	242	13.0

Source: School District Records.

OHIO AUDITOR OF STATE KEITH FABER



VANDALIA-BUTLER CITY SCHOOL DISTRICT

MONTGOMERY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/16/2024

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

This report is a matter of public record and is available online at
www.ohioauditor.gov