



OHIO AUDITOR OF STATE  
**KEITH FABER**





**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY  
JUNE 30, 2023**

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**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY  
JUNE 30, 2023**

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# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

## INDEPENDENT AUDITOR'S REPORT

East Liverpool Local School District  
Columbiana County  
810 West 8th Street  
East Liverpool, Ohio 43920

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 East Liverpool City School District, Columbiana County, Ohio (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the East Liverpool City School District, Columbiana County, Ohio as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the General and Elementary and Secondary School Emergency Relief funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As discussed in Note 17 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

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

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

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

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

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

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

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

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

***Required Supplementary Information***

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

***Supplementary information***

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

June 3, 2024

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**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

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

### **Financial Highlights**

Key financial highlights for fiscal year 2023 are as follows:

- In total, net position of governmental activities decreased \$1,129,396 which represents a 5.00% decrease from June 30, 2022's net position.
- General revenues accounted for \$24,391,854 in revenue or 68.01% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions, and capital grants and contributions accounted for \$11,473,359 or 31.99% of total revenues of \$35,865,213.
- The District had \$36,994,609 in expenses related to governmental activities; \$11,473,359 of these expenses were offset by program specific charges for services and operating grants and contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) were not adequate to provide for these programs.
- The District's major funds were the general fund and the elementary and secondary school emergency relief (ESSER) fund. The general fund had \$27,286,205 in revenues and \$27,196,289 in expenditures and other financing uses. The general fund's fund balance increased \$89,916 from a balance of \$4,229,088 to \$4,319,004.
- The ESSER fund had \$4,134,175 in revenues and \$4,126,056 in expenditures. The ESSER fund's fund balance increased \$8,119 from a balance of \$0 to \$8,119

### **Using these Basic Financial Statements**

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

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

### **Reporting the District as a Whole**

#### ***Statement of Net Position and the Statement of Activities***

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2023?" The statement of net position and the statement of activities answer this question. These statements include *all assets, 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.

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

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

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

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

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

The analysis of the District's major governmental funds begins on page 12. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and ESSER fund.

***Governmental Funds***

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and 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 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 19-24 of this report.

***Proprietary Funds***

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for employee benefits self-insurance. The basic proprietary fund financial statements can be found on pages 25-27 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 29-70 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 District's net pension liability and net OPEB liability/asset. The required supplementary information can be found on pages 72-92 of this report.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**The District as a Whole**

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

	<b>Net Position</b>	
	Governmental Activities <u>2023</u>	Governmental Activities <u>2022</u>
<b><u>Assets</u></b>		
Current and other assets	\$ 20,967,991	\$ 20,047,138
Net OPEB asset	2,528,463	2,052,554
Capital assets, net	<u>37,427,510</u>	<u>38,815,514</u>
Total assets	<u>60,923,964</u>	<u>60,915,206</u>
<b><u>Deferred Outflows of Resources</u></b>		
Pension	6,377,510	6,530,750
OPEB	<u>627,287</u>	<u>755,431</u>
Total deferred outflows of resources	<u>7,004,797</u>	<u>7,286,181</u>
<b><u>Liabilities</u></b>		
Current liabilities	6,133,565	4,260,966
Long-term liabilities:		
Due within one year	391,785	388,934
Due in more than one year:		
Net pension liability	27,089,118	16,188,262
Net OPEB liability	1,431,035	1,978,607
Other amounts	<u>369,130</u>	<u>1,842,083</u>
Total liabilities	<u>35,414,633</u>	<u>24,658,852</u>
<b><u>Deferred Inflows of Resources</u></b>		
Property taxes levied for next year	4,521,491	4,059,372
Pension	2,688,133	13,301,633
OPEB	<u>3,841,233</u>	<u>3,588,863</u>
Total deferred inflows of resources	<u>11,050,857</u>	<u>20,949,868</u>
<b><u>Net Position</u></b>		
Net investment in capital assets	36,666,595	37,781,671
Restricted	4,372,603	4,392,556
Unrestricted (deficit)	<u>(19,575,927)</u>	<u>(19,581,560)</u>
Total net position	<u>\$ 21,463,271</u>	<u>\$ 22,592,667</u>

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.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA 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*. 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 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 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 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, the District's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$21,463,271.

The net pension liability increased \$10,900,856 or 67.34% and deferred inflows of resources related to pension decreased \$10,613,500 or 79.79%. 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.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

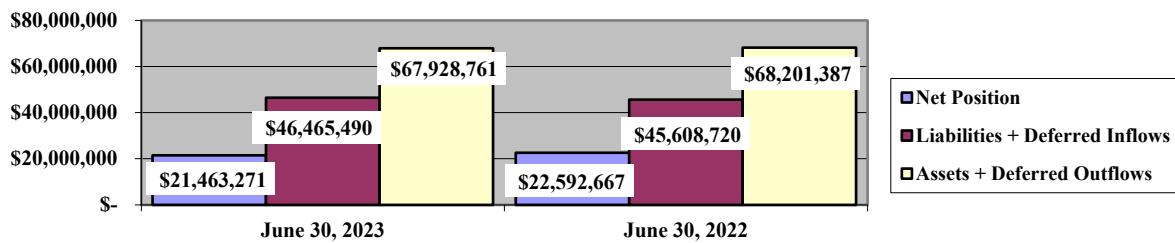
Total assets include a net OPEB asset reported by STRS. See Note 14 for more detail.

At year-end, capital assets represented 61.43% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and fixtures, vehicles, and intangible right to use assets. Net investment in capital assets at June 30, 2023, was \$36,666,595. These capital assets are used to provide services to the students and are not available for future spending. Although the 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.

A portion of the District's net position, \$4,372,603, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is (\$19,575,927).

The graph below shows the 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**



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

**Change in Net Position**

	<u>Governmental Activities 2023</u>	<u>Governmental Activities 2022</u>
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 353,677	\$ 267,281
Operating grants and contributions	10,635,064	9,742,697
Capital grants and contributions	484,618	-
General revenues:		
Property taxes	5,128,924	4,663,038
Grants and entitlements - unrestricted	18,628,860	18,205,853
Investment earnings	369,475	(34,360)
Other	264,595	18,446
Total revenues	<u>35,865,213</u>	<u>32,862,955</u>

(Continued)

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**Change in Net Position - Continued**

	Governmental Activities <u>2023</u>	Governmental Activities <u>2022</u>
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	\$ 13,575,225	\$ 11,765,257
Special	5,661,885	4,253,797
Vocational	1,269,450	1,158,052
Adult/continuing	412	198
Other	1,366,782	1,023,147
Support services:		
Pupil	2,344,814	1,817,116
Instructional staff	933,830	872,786
Board of education	233,088	88,257
Administration	1,902,745	1,485,196
Fiscal	697,827	597,927
Operations and maintenance	4,745,881	3,656,481
Pupil transportation	1,566,951	1,489,441
Central	200,517	157,452
Operations of non-instructional services:		
Food service operations	1,632,587	1,430,003
Other non-instructional services	161,889	170,013
Extracurricular activities	669,415	566,327
Interest and fiscal charges	<u>31,311</u>	<u>13,445</u>
Total expenses	<u>36,994,609</u>	<u>30,544,895</u>
Change in net position	(1,129,396)	2,318,060
Net position at beginning of year	<u>22,592,667</u>	<u>20,274,607</u>
Net position at end of year	<u>\$ 21,463,271</u>	<u>\$ 22,592,667</u>

**Governmental Activities**

Net position of the District's governmental activities decreased \$1,129,396. Total governmental expenses of \$36,994,609 were offset by program revenues of \$11,473,359 and general revenues of \$24,391,854. Program revenues supported 31.01% of the total governmental expenses.

Overall, expenses of the governmental activities increased \$6,449,714 or 21.12%. This increase is primarily the result of an increase in pension expense. Pension expense increase \$3,003,168. 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.

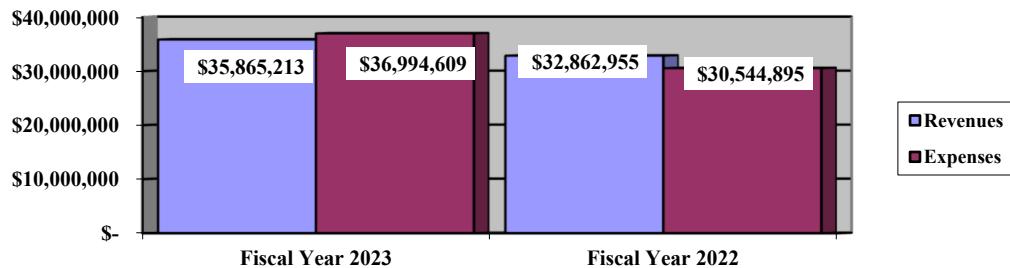
The primary sources of revenue for governmental activities are derived from property taxes, operating grants and contributions, and unrestricted grants and entitlements from the State. These revenue sources account for 66.30% of total governmental revenue. The largest increases in revenues were in the operating grants and contributions and investment earnings which increased \$892,367 and \$403,835, respectively. These increases were the result increased grant funding and more favorable interest rates on investments.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

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

**Governmental Activities - Revenues and Expenses**



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.

**Governmental Activities**

	<u>Total Cost of Services 2023</u>	<u>Net Cost of Services 2023</u>	<u>Total Cost of Services 2022</u>	<u>Net Cost of Services 2022</u>
<b>Program expenses</b>				
Instruction:				
Regular	\$ 13,575,225	\$ 11,904,245	\$ 11,765,257	\$ 10,719,971
Special	5,661,885	3,566,894	4,253,797	1,147,888
Vocational	1,269,450	921,371	1,158,052	830,594
Adult/continuing	412	87	198	143
Other	1,366,782	182,659	1,023,147	939,275
Support services:				
Pupil	2,344,814	1,244,867	1,817,116	791,185
Instructional staff	933,830	638,935	872,786	401,340
Board of education	233,088	233,088	88,257	86,220
Administration	1,902,745	1,691,099	1,485,196	1,190,475
Fiscal	697,827	697,827	597,927	597,927
Operations and maintenance	4,746,506	2,578,502	3,656,481	2,609,418
Pupil transportation	1,566,951	1,238,888	1,489,441	1,011,164
Central	200,517	76,519	157,452	47,657
Operations of non-instructional services:				
Food service operations	1,631,962	72,267	1,430,003	(136,258)
Other non-instructional services	161,889	94,949	170,013	(12,304)
Extracurricular activities	669,415	347,742	566,327	296,777
Interest and fiscal charges	<u>31,311</u>	<u>31,311</u>	<u>13,445</u>	<u>13,445</u>
Total	<u><u>\$ 36,994,609</u></u>	<u><u>\$ 25,521,250</u></u>	<u><u>\$ 30,544,895</u></u>	<u><u>\$ 20,534,917</u></u>

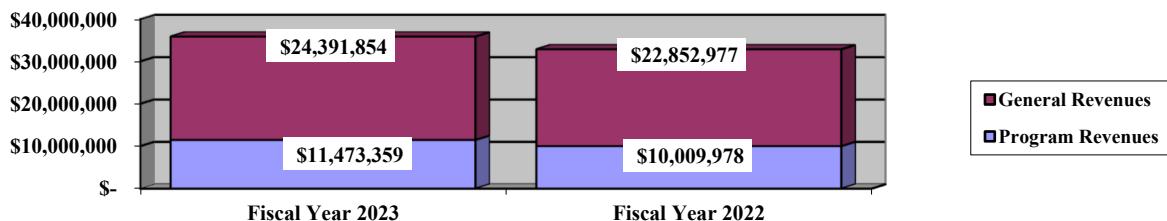
The dependence upon tax and other general revenues for governmental activities is apparent as 75.78% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 68.99%. The District's taxpayers and unrestricted grants and entitlements are the primary support for District's students.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

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

**Governmental Activities - General and Program Revenues**



**The District's Funds**

The District's governmental funds reported a combined fund balance of \$9,957,665, which is higher than last year's total of \$8,481,974. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2023 and 2022.

	<u>Fund Balance</u> <u>June 30, 2023</u>	<u>Fund Balance</u> <u>June 30, 2022</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
General fund	\$ 4,319,004	\$ 4,229,088	\$ 89,916	2.13 %
ESSER fund	8,119	-	8,119	- %
Other governmental funds	<u>5,630,542</u>	<u>4,252,886</u>	<u>1,377,656</u>	<u>32.39 %</u>
Total	<u>\$ 9,957,665</u>	<u>\$ 8,481,974</u>	<u>\$ 1,475,691</u>	<u>17.40 %</u>

***General Fund***

During fiscal year 2023, the District's general fund balance increased \$89,916.

The table that follows assists in illustrating the financial activities of the general fund.

	<u>2023</u> <u>Amount</u>	<u>2022</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>				
Property taxes	\$ 5,069,127	\$ 4,715,514	\$ 353,613	7.50 %
Tuition	113,954	116,514	(2,560)	(2.20) %
Earnings on investments	333,878	(52,297)	386,175	(738.43) %
Intergovernmental	21,470,468	20,863,168	607,300	2.91 %
Other revenues	<u>298,778</u>	<u>76,369</u>	<u>222,409</u>	<u>291.23 %</u>
Total	<u>\$ 27,286,205</u>	<u>\$ 25,719,268</u>	<u>\$ 1,566,937</u>	<u>6.09 %</u>
<b><u>Expenditures</u></b>				
Instruction	\$ 16,807,298	\$ 15,764,627	\$ 1,042,671	6.61 %
Support services	8,315,203	7,826,909	488,294	6.24 %
Non-instructional services	1,046	563	483	85.79 %
Extracurricular activities	339,250	343,941	(4,691)	(1.36) %
Debt service	<u>305,588</u>	<u>384,230</u>	<u>(78,642)</u>	<u>(20.47) %</u>
Total	<u>\$ 25,768,385</u>	<u>\$ 24,320,270</u>	<u>\$ 1,448,115</u>	<u>5.95 %</u>

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

Revenues of the general fund increased \$1,566,937 or 6.09%. The most significant increases were in the areas of earnings on investments and intergovernmental revenue. These increases were the result of more favorable interest rates on investments and the State's adjustment to the funding formula.

Expenditures increased \$1,448,115 or 5.95%. The largest increase was in the area of instruction. Instruction increased primarily due to the District paying more wages and benefits from the general fund.

***General Fund Budgeting Highlights***

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

During the course of fiscal year 2023, the District amended its general fund estimated revenue budget several times. For the general fund, original and final budgeted revenues were \$26,000,000. Actual revenue of \$27,325,562 were \$1,325,562 more than the final budgeted amounts.

General fund actual expenditures plus other financing uses of \$27,017,019 were \$1,547,910 higher than final appropriations (appropriated expenditures plus other financing uses) of \$25,469,109. Original appropriations (appropriated expenditures plus other financing sources) were \$24,369,943.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2023, the District had \$37,427,510 invested in land, land improvements, buildings and improvements, furniture and fixtures, vehicles, and intangible right to use assets. This entire amount is reported in governmental activities. The table that follows shows June 30, 2023 balances compared to June 30, 2022.

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

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Land	\$ 46,225	\$ 46,225
Land improvements	479,822	489,982
Buildings and improvements	35,172,492	36,566,737
Furniture and fixtures	807,575	780,963
Vehicles	918,215	922,063
Intangible right to use assets	3,181	9,544
Total	<u>\$ 37,427,510</u>	<u>\$ 38,815,514</u>

Capital assets decreased \$1,388,004. The District had additions of \$348,365 and depreciation/amortization of \$1,736,369 during fiscal year 2023.

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

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

***Debt Administration***

At June 30, 2023 the District had \$756,340 in notes payable outstanding and \$4,575 in leases payable outstanding. Of this total, \$275,245 is due within one year and \$485,670 is due in more than one year.

The table below summarizes the long-term obligations outstanding.

**Outstanding Debt, at Year End**

	<u>Governmental Activities 2023</u>	<u>Governmental Activities 2022</u>
Notes payable - financed purchase	\$ 756,340	\$ 1,022,010
Leases payable	<u>4,575</u>	<u>11,833</u>
Total	<u>\$ 760,915</u>	<u>\$ 1,033,843</u>

See Note 10 to the basic financial statements for detail on the District's debt administration.

**Current Issues**

The district is financially responsible for educating approximately 1,825 students, grades PK-12. During fiscal year 2022-2023, 1,825 of those students were educated at the district's five schools housed in four physical plants compared with 2,392 students in the prior fiscal year, a decrease of 567 students or about 24%. The rest were educated either by other school districts in the State, mostly through open enrollment, or at community schools in accordance with State law. The enrollment pattern in recent years has been mixed, albeit relatively stable.

Academic improvement is a critical issue for the district. To improve its academic standing, the district is actively involved in the Ohio Improvement Process. The sub-divisions of the Ohio Improvement Process consist of a District Leadership Team (DLT) with personnel from Board Members, Teaching Staff and Administration who meet quarterly; a Building Leadership Team (BLT) consisting of Building Administration and Building Staff who meet monthly; and Teacher Based Teams (TBT) who also meet monthly.

East Liverpool is in southeastern Columbiana County and is one of the major cities in what the U.S. Census Bureau defines as the East Liverpool-Salem Micropolitan Area. The district comprises approximately 14 square miles located in the City of East Liverpool, Liverpool Township, and all small portion of St. Clair Township. Columbiana County is one of 22 designated in Ohio's Appalachian region by the federal government. This is indicative of the region's socio-economic challenges. Public and nonprofit employers, including the District and East Liverpool City Hospital, are the major employers within the district.

The district provides free breakfast and lunch to 100% of its students due to being part of the Community Eligibility Program with the State. Due to the socio-economic status within the district, all buildings are qualified for this program to provide free breakfast and lunch.

Socio-economic issues in the community cause the district to confront several educational issues. Approximately 19% of East Liverpool students qualify for special education services. This compares to an average of 14% for Ohio's school age population. The district also commits substantial resources to pre-school, after-school programs, summer programs, and other efforts to help students succeed academically.

In terms of school funding, the district is heavily dependent on State financial support. Approximately 70% of the funds for day-to-day school operations are provided by the State of Ohio. This funding is subject to the biennial appropriation of the Ohio General Assembly.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

The district currently has strong reserves to withstand any possible financial difficulties. As of June 30, 2023, cash reserves were approximately \$7.1 million. This reserve amounts to a 60-day cushion in operating cash reserves. The current Five-Year Financial Forecast projects stable cash reserves for the coming school year but declining reserves for the balance of the forecast period. The Board of Education and administration are working together to chart the best future courses of action to address long-term financial challenges.

The district currently operates five school units: LaCroft Elementary (grades K-4), North Elementary (grades K-4), Westgate Elementary (grades PK, 5-6), East Liverpool Junior High School (grades 7-8) and East Liverpool High School (grades 9-12).

Seeking to address socio-economic issues at an early age, the School District has expanded preschool programs, which operate from the Westgate facility.

The district's physical capital assets, including property physical plant and equipment total approximately \$75 million before adjustments for depreciation.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Anson Wiegand, Treasurer, East Liverpool City School District, 810 West Eighth Street, East Liverpool, Ohio, 43920 or telephone (330) 385-7132.

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**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

**STATEMENT OF NET POSITION  
JUNE 30, 2023**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$ 12,373,588
Cash and cash equivalents with fiscal agent	1,902,262
Cash in segregated accounts	21,646
Receivables:	
Property taxes	5,613,479
Accrued interest	2,530
Intergovernmental	957,649
Prepayments	56,831
Inventory held for resale	40,006
Net OPEB asset	2,528,463
Capital assets:	
Nondepreciable capital assets	46,225
Depreciable capital assets, net	<u>37,381,285</u>
Capital assets, net	<u>37,427,510</u>
Total assets	<u>60,923,964</u>
<b>Deferred outflows of resources:</b>	
Pension	6,377,510
OPEB	<u>627,287</u>
Total deferred outflows of resources	<u>7,004,797</u>
<b>Liabilities:</b>	
Accounts payable	149,328
Accrued wages and benefits payable	2,787,606
Compensated absences payable	79,803
Intergovernmental payable	405,092
Pension and post employment benefits payable	419,364
Accrued interest payable	3,355
Claims payable	966,834
Accrued vacation leave payable	121,729
Long-term liabilities:	
Due within one year	390,885
Due in more than one year:	
Net pension liability	27,089,118
Net OPEB liability	1,431,035
Other amounts due in more than one year	<u>1,570,484</u>
Total liabilities	<u>35,414,633</u>
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year	4,521,491
Pension	2,688,133
OPEB	<u>3,841,233</u>
Total deferred inflows of resources	<u>11,050,857</u>
<b>Net position:</b>	
Net investment in capital assets	36,666,595
Restricted for:	
OPEB	582,516
Classroom facilities maintenance	1,771,771
State funded programs	136,647
Federally funded programs	371,149
Food service operations	1,316,705
Student activities	94,892
Other purposes	98,923
Unrestricted (deficit)	<u>(19,575,927)</u>
Total net position	<u>\$ 21,463,271</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

	<b>Expenses</b>	<b>Program Revenues</b>			<b>Capital Grants and Contributions</b>	<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>		
<b>Governmental activities:</b>						
Instruction:						
Regular	\$ 13,575,225	\$ 5,984	\$ 1,664,996	\$ -	\$ (11,904,245)	
Special	5,661,885	84	2,094,907	-	(3,566,894)	
Vocational	1,269,450	-	348,079	-	(921,371)	
Adult/continuing	412	-	325	-	(87)	
Other	1,366,782	-	1,184,123	-	(182,659)	
Support services:						
Pupil	2,344,814	-	1,099,947	-	(1,244,867)	
Instructional staff	933,830	-	294,895	-	(638,935)	
Board of education	233,088	-	-	-	(233,088)	
Administration	1,902,745	28,520	183,126	-	(1,691,099)	
Fiscal	697,827	-	-	-	(697,827)	
Operations and maintenance	4,746,506	4,906	1,678,480	484,618	(2,578,502)	
Pupil transportation	1,566,951	-	328,063	-	(1,238,888)	
Central	200,517	-	123,998	-	(76,519)	
Operation of non-instructional services:						
Food service operations	1,631,962	81,841	1,477,854	-	(72,267)	
Other non-instructional services	161,889	-	66,940	-	(94,949)	
Extracurricular activities	669,415	232,342	89,331	-	(347,742)	
Interest and fiscal charges	31,311	-	-	-	(31,311)	
<b>Totals</b>	<b>\$ 36,994,609</b>	<b>\$ 353,677</b>	<b>\$ 10,635,064</b>	<b>\$ 484,618</b>		<b>(25,521,250)</b>

**General revenues:**

Property taxes levied for:

General purposes	5,056,215
Classroom facilities maintenance	72,709
Grants and entitlements not restricted	
to specific programs	18,628,860
Investment earnings	369,475
Miscellaneous	264,595
<b>Total general revenues</b>	<b>24,391,854</b>

Change in net position

(1,129,396)

**Net position at beginning of year**

**22,592,667**

**Net position at end of year**

**\$ 21,463,271**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	<b>General</b>	<b>Elementary and Secondary School Emergency</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 6,645,343	\$ -	\$ 5,728,245	\$ 12,373,588
Cash in segregated accounts	21,646	-	-	21,646
Receivables:				
Property taxes	5,534,013	-	79,466	5,613,479
Accrued interest	2,530	-	-	2,530
Intergovernmental	19,958	458,969	478,722	957,649
Prepayments	26,427	8,119	22,285	56,831
Inventory held for resale	-	-	40,006	40,006
Due from other funds	578,024	-	-	578,024
Total assets	<u>\$ 12,827,941</u>	<u>\$ 467,088</u>	<u>\$ 6,348,724</u>	<u>\$ 19,643,753</u>
<b>Liabilities:</b>				
Accounts payable	\$ 71,334	\$ 55,632	\$ 22,362	\$ 149,328
Accrued wages and benefits payable	2,449,100	19,000	319,506	2,787,606
Compensated absences payable	79,803	-	-	79,803
Intergovernmental payable	391,791	83	13,218	405,092
Pension and postemployment benefits payable	351,035	7,629	60,700	419,364
Due to other funds	-	376,625	201,399	578,024
Total liabilities	<u>3,343,063</u>	<u>458,969</u>	<u>617,185</u>	<u>4,419,217</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	4,457,390	-	64,101	4,521,491
Delinquent property tax revenue not available	685,996	-	9,656	695,652
Intergovernmental revenue not available	19,958	-	27,240	47,198
Accrued interest not available	2,530	-	-	2,530
Total deferred inflows of resources	<u>5,165,874</u>	<u>-</u>	<u>100,997</u>	<u>5,266,871</u>
<b>Fund balances:</b>				
Nonspendable:				
Prepays	26,427	8,119	22,285	56,831
Unclaimed monies	75,817	-	-	75,817
Restricted:				
Classroom facilities maintenance	-	-	1,762,115	1,762,115
Food service operations	-	-	1,348,000	1,348,000
State funded programs	-	-	136,647	136,647
Federally funded programs	-	-	348,864	348,864
Extracurricular programs	-	-	94,892	94,892
Other purposes	-	-	23,106	23,106
Committed:				
Capital projects	-	-	1,921,874	1,921,874
Assigned:				
Student instruction	5,132	-	-	5,132
Student and staff support	178,836	-	-	178,836
Extracurricular activities	100	-	-	100
Capital projects	-	-	-	-
Unassigned (deficit)	<u>4,032,692</u>	<u>-</u>	<u>(27,241)</u>	<u>4,005,451</u>
Total fund balances (deficits)	<u>4,319,004</u>	<u>8,119</u>	<u>5,630,542</u>	<u>9,957,665</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 12,827,941</u>	<u>\$ 467,088</u>	<u>\$ 6,348,724</u>	<u>\$ 19,643,753</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

<b>Total governmental fund balances</b>	\$ 9,957,665
<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.	37,427,510
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows in the funds.	
Property taxes receivable	\$ 695,652
Accrued interest receivable	2,530
Intergovernmental receivable	47,198
Total	745,380
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.	935,428
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(3,355)
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	6,377,510
Deferred inflows - pension	(2,688,133)
Net pension liability	(27,089,118)
Deferred outflows - OPEB	627,287
Deferred inflows - OPEB	(3,841,233)
Net OPEB asset	2,528,463
Net OPEB liability	(1,431,035)
Total	(25,516,259)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Notes payable - financed purchase	(756,340)
Leases payable	(4,575)
Vacation payable	(121,729)
Compensated absences	(1,200,454)
Total	(2,083,098)
<b>Net position of governmental activities</b>	<u><u>\$ 21,463,271</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

	<b>General</b>	<b>Elementary and Secondary School Emergency</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>				
Property taxes	\$ 5,069,127	\$ -	\$ 75,581	\$ 5,144,708
Intergovernmental	21,470,468	4,134,175	4,684,173	30,288,816
Investment earnings	333,878	-	-	333,878
Tuition and fees	113,954	-	-	113,954
Extracurricular	27,495	-	233,367	260,862
Rental income	4,842	-	-	4,842
Charges for services	-	-	81,905	81,905
Contributions and donations	2,326	-	16,976	19,302
Miscellaneous	264,115	-	12,938	277,053
<b>Total revenues</b>	<b>27,286,205</b>	<b>4,134,175</b>	<b>5,104,940</b>	<b>36,525,320</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	10,383,142	1,467,782	251,867	12,102,791
Special	5,237,311	2,481	260,187	5,499,979
Vocational	1,160,762	-	58,916	1,219,678
Adult/continuing	-	-	412	412
Other	26,083	179,619	1,123,505	1,329,207
Support services:				
Pupil	1,242,559	282,775	767,934	2,293,268
Instructional staff	569,550	208,756	141,893	920,199
Board of education	233,197	-	-	233,197
Administration	1,610,270	89,669	127,363	1,827,302
Fiscal	671,888	-	1,919	673,807
Operations and maintenance	2,564,394	1,606,581	414,884	4,585,859
Pupil transportation	1,348,700	101,625	492	1,450,817
Central	74,645	114,772	9,000	198,417
Operation of non-instructional services				
Food service operations	-	-	1,597,412	1,597,412
Other non-instructional services	1,046	-	132,959	134,005
Extracurricular activities	339,250	71,996	249,746	660,992
Facilities acquisition and construction	-	-	16,699	16,699
Debt service:				
Principal retirement	272,928	-	-	272,928
Interest and fiscal charges	32,660	-	-	32,660
<b>Total expenditures</b>	<b>25,768,385</b>	<b>4,126,056</b>	<b>5,155,188</b>	<b>35,049,629</b>
Excess (deficiency) of revenues over (under) expenditures	1,517,820	8,119	(50,248)	1,475,691
<b>Other financing sources (uses):</b>				
Transfers in	-	-	1,437,859	1,437,859
Transfers (out)	(1,427,904)	-	(9,955)	(1,437,859)
<b>Total other financing sources (uses)</b>	<b>(1,427,904)</b>	<b>-</b>	<b>1,427,904</b>	<b>-</b>
Net change in fund balances	89,916	8,119	1,377,656	1,475,691
<b>Fund balances at beginning of year</b>	<b>4,229,088</b>	<b>-</b>	<b>4,252,886</b>	<b>8,481,974</b>
<b>Fund balances (deficits) at end of year</b>	<b>\$ 4,319,004</b>	<b>\$ 8,119</b>	<b>\$ 5,630,542</b>	<b>\$ 9,957,665</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA 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** \$ 1,475,691

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.

Capital asset additions	\$ 348,365
Current year depreciation/amortization	<u>(1,736,369)</u>
Total	(1,388,004)

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

Property taxes	(15,784)
Tuition	<u>(107,886)</u>
Earnings on investments	1,264
Intergovernmental	<u>(588,308)</u>
Total	(710,714)

Repayment of lease and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.

272,928

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	1,349
Total	

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

Pension	2,407,903
OPEB	<u>76,716</u>
Total	2,484,619

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	(2,848,499)
OPEB	<u>566,251</u>
Total	(2,282,248)

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.

Compensated absences	(3,280)
Vacation payable	<u>(26,928)</u>
Total	(30,208)

An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

(952,809)

**Change in net position of governmental activities** \$ (1,129,396)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA 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**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Property taxes	\$ 5,000,000	\$ 5,000,000	\$ 5,082,712	\$ 82,712
Intergovernmental	21,000,000	21,000,000	21,575,335	575,335
Investment earnings	-	-	334,531	334,531
Tuition and fees	-	-	114,890	114,890
Rental income	-	-	4,842	4,842
Contributions and donations	-	-	480	480
Miscellaneous	-	-	212,772	212,772
Total revenues	<u>26,000,000</u>	<u>26,000,000</u>	<u>27,325,562</u>	<u>1,325,562</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	10,382,870	10,391,056	10,370,242	20,814
Special	4,312,593	4,288,878	5,030,508	(741,630)
Vocational	1,152,558	1,157,669	1,158,830	(1,161)
Other	1,564	113,541	26,083	87,458
Support services:				
Pupil	1,208,682	1,244,771	1,241,248	3,523
Instructional staff	553,837	558,191	567,073	(8,882)
Board of education	60,115	241,201	241,424	(223)
Administration	1,397,632	1,441,708	1,547,117	(105,409)
Fiscal	579,052	579,448	678,716	(99,268)
Operations and maintenance	2,511,435	2,800,977	2,635,574	165,403
Pupil transportation	1,251,807	1,344,247	1,473,866	(129,619)
Central	52,884	113,596	81,746	31,850
Operation of non-instructional services				
Other non-instructional services	568	663	1,146	(483)
Extracurricular activities	358,652	355,587	326,967	28,620
Facilities acquisition and construction	(81,100)	(6,690)	2,213	(8,903)
Debt service:				
Principal	183,000	183,000	183,000	-
Interest and fiscal charges	23,362	23,362	23,362	-
Total expenditures	<u>23,949,511</u>	<u>24,831,205</u>	<u>25,589,115</u>	<u>(757,910)</u>
Excess of revenues over expenditures	<u>2,050,489</u>	<u>1,168,795</u>	<u>1,736,447</u>	<u>567,652</u>
<b>Other financing (uses):</b>				
Transfers (out)	(420,432)	(637,904)	(1,427,904)	(790,000)
Total other financing (uses)	<u>(420,432)</u>	<u>(637,904)</u>	<u>(1,427,904)</u>	<u>(790,000)</u>
Net change in fund balance	1,630,057	530,891	308,543	(222,348)
<b>Fund balance at beginning of year</b>	6,441,037	6,441,037	6,441,037	-
<b>Prior year encumbrances appropriated</b>	212,711	212,711	212,711	-
<b>Fund balance at end of year</b>	<u>\$ 8,283,805</u>	<u>\$ 7,184,639</u>	<u>\$ 6,962,291</u>	<u>\$ (222,348)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Intergovernmental	\$ 10,078,262	\$ 10,078,262	\$ 4,580,437	\$ (5,497,825)
Total revenue	<u>10,078,262</u>	<u>10,078,262</u>	<u>4,580,437</u>	<u>(5,497,825)</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	340,565	2,695,590	1,671,269	1,024,321
Special	-	2,561	2,481	80
Other	472,777	345,895	190,208	155,687
Support services:				
Instructional staff	390,580	476,615	289,276	187,339
Board of education	171,989	422,232	228,534	193,698
Administration	21,396	102,274	99,060	3,214
Operations and maintenance	228,451	2,323,350	1,754,725	568,625
Pupil transportation	196,061	586,616	101,625	484,991
Central	618,479	261,960	120,272	141,688
Extracurricular activities	-	72,271	71,995	276
Total expenditures	<u>2,440,298</u>	<u>7,289,364</u>	<u>4,529,445</u>	<u>2,759,919</u>
Net change in fund balance	7,637,964	2,788,898	50,992	(2,737,906)
<b>Fund balance (deficit) at beginning of year</b>	(1,325,814)	(1,325,814)	(1,325,814)	-
<b>Prior year encumbrances appropriated</b>	486,216	486,216	486,216	-
<b>Fund balance (deficit) at end of year</b>	<u>\$ 6,798,366</u>	<u>\$ 1,949,300</u>	<u>\$ (788,606)</u>	<u>\$ (2,737,906)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2023**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets:</b>	
Current assets:	
Cash and cash equivalents with fiscal agent	\$ 1,902,262
Total current assets	<u>1,902,262</u>
<b>Liabilities:</b>	
Current liabilities:	
Claims payable	966,834
Total current liabilities	<u>966,834</u>
<b>Net position:</b>	
Unrestricted	<u>935,428</u>
Total net position	<u>\$ 935,428</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating revenues:</b>	
Charges for services	\$ 6,405,547
Other	361,359
Total operating revenues	<u>6,766,906</u>
<b>Operating expenses:</b>	
Purchased services	1,752,033
Claims	6,002,015
Total operating expenses	<u>7,754,048</u>
Operating loss	<u>(987,142)</u>
<b>Nonoperating revenues:</b>	
Interest revenue	<u>34,333</u>
Total nonoperating revenues	<u>34,333</u>
Change in net position	(952,809)
<b>Net position at beginning of year</b>	<u>1,888,237</u>
<b>Net position at end of year</b>	<u>\$ 935,428</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services	\$ 6,405,547
Cash received from other operations	361,359
Cash payments for contractual services	(1,752,033)
Cash payments for claims	<u>(5,716,242)</u>
Net cash used in operating activities	<u>(701,369)</u>
<b>Cash flows from investing activities:</b>	
Interest received	<u>34,333</u>
Net cash provided by investing activities	<u>34,333</u>
Net change in cash and cash equivalents	(667,036)
<b>Cash and cash equivalents at beginning of year</b>	2,569,298
<b>Cash and cash equivalents at end of year</b>	<u>\$ 1,902,262</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (987,142)
Changes in assets and liabilities:	
Claims payable	<u>285,773</u>
Net cash used in operating activities	<u>\$ (701,369)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

East Liverpool City School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the Constitution and laws of the State of Ohio.

The District operates under a locally-elected five member Board and provides educational services as mandated by State and Federal agencies. The District currently operates five instructional buildings, one administrative office and one bus garage.

The District was established in 1864 through the consolidation of existing land areas and Districts. The District serves an area of approximately 14 square miles. It is located in Columbiana County and includes all of the City of East Liverpool, all of Liverpool Township and a portion of Saint Clair Township.

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

The basic financial statements of the 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 entity for establishing governmental accounting and financial reporting principles.

The District's significant accounting policies are described below.

**A. Reporting Entity**

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For East Liverpool City School District, this includes the agencies and departments that provide the following services: general operations, food service, preschool, childcare and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the 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 District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. The District has no component units.

The following activities are included within the reporting entity:

**Non-Public Schools**

Within the District boundaries, American Spirit Academy is operated through the Ohio Department of Education. Current State legislation provides funding to this parochial school. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the District, as directed by the parochial schools. These transactions are reported in a special revenue fund and as a governmental activity of the District.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA 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 following organizations are described due to their relationship to the District:

*JOINTLY GOVERNED ORGANIZATIONS*

Area Cooperative Computerized Education Service System (ACCESS)

Area Cooperative Computerized Education Service System (ACCESS) is a computer network which provides data services to twenty-six school districts in Columbiana and Mahoning County, two educational service centers, twenty non-public schools and two Special Education Regional Resource Centers. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports ACCESS based upon a per pupil charge. ACCESS is governed by an assembly consisting of the superintendents or other designees of the member school districts. The assembly exercises total control over the operation of ACCESS including budgeting, appropriating, contracting and designating management. All of ACCESS revenues are generated from charges for services and State funding. Financial information can be obtained by contacting the Treasurer at 439 Bev Road, Building #1 Youngstown, Ohio 44512. During the year ended June 30, 2023, the District paid \$108,015 for basic service charges to ACCESS.

The District also participates in a claims servicing pool, the Jefferson Health Plan, which is presented in Note 20.

**B. Fund Accounting**

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

*GOVERNMENTAL FUNDS*

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

The following are the District's major governmental funds:

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

*Elementary and Secondary School Emergency Relief (ESSER) Fund* - This fund is used to account for grants received from the federal government to provide emergency relief to school districts related to the COVID-19 pandemic.

Other governmental funds of the District are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by trust funds; (b) for food service operations and (c) for grants and other resources of the District to which the District is bound to observe constraints imposed upon the use of the resources.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

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

*PROPRIETARY FUND*

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. These funds use the economic resources management focus. The District has the following proprietary fund type:

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

*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 District has no fiduciary funds.

**C. Basis of Presentation and Measurement Focus**

*Government-wide Financial Statements* - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. The activity of the internal service fund is also eliminated to avoid "doubling up" revenues and expenses.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of 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 not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position.

*Fund Financial Statements* - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column and all nonmajor funds are aggregated into one column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

Like the government-wide statements, the proprietary fund is accounted for on a flow of economic resources measurement focus.

For the proprietary fund, the statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

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

**D. Basis of Accounting**

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

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

Nonexchange transactions, in which the 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 District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

*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 13 and 14 for deferred outflows of resources related to net pension liability and net OPEB liability/asset, respectively.

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.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

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

See Notes 13 and 14 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.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the fund financial statements as expenditures with a like amount reported as intergovernmental revenue.

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

**E. Budgetary Data**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Tax Budget: Prior to January 15, the Superintendent and the Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Columbiana County Budget Commission for rate determination.

Estimated Resources: Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. On or before July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or before July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts in the original and final amended certificates of estimated resources issued during fiscal year 2023.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

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

Appropriations: Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund level, which is the legal level of budgetary control. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent certificate of estimated resources. Supplemental appropriations were legally enacted during fiscal year 2023.

The budget figures which appear in the statement of budgetary comparisons represent the original and final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions.

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

**F. Cash and Investments**

To improve cash management, cash received by the District is pooled in various bank accounts. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements. A portion of cash and cash equivalents is held in an Employee Flex account and is recorded as "cash in segregated accounts".

Investments were limited to Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, negotiable CDs, commercial paper, a U.S. money market, and State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit and STAR Ohio, are reported at amortized cost.

The 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 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.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal year 2023 amounted to \$333,878 which includes \$158,292 assigned from other funds.

The District participates in the Jefferson Health Plan for self-insurance. These monies are held separate from the District's various bank accounts. The Jefferson County Educational Service Center serves as the fiscal agent for the insurance consortium.

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 District are presented on the basic financial statements as "equity in pooled cash and cash equivalents."

An analysis of the District's investment account at year-end is provided in Note 4.

**G. Capital Assets**

General capital assets are those assets specifically related to governmental activities. These 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 at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	15 - 30 years
Buildings and improvements	20 - 40 years
Furniture and fixtures	5 - 20 years
Vehicles	5 years
Intangible right to use assets	5 years

The District is reporting intangible right to use assets related to leased equipment. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

**H. 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, the fund balance is nonspendable on the fund financial statements by an amount equal to the carrying value of the asset.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

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

**I. Inventory**

On government-wide and fund financial statements, inventories are presented at cost on a first-in, first-out basis and are expensed when used. Donated commodities are presented at their entitlement value. Inventories are accounted for using the consumption method.

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

**J. Interfund Balances**

Transfers between governmental activities on the government-wide statements are eliminated. 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.

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

**K. Compensated Absences**

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Vacation absences are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination method. An accrual for sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is an estimate based on the District's past experience of making termination payments for sick leave.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2023, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

For 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.

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

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

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

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

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

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

**N. Fund Balance**

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources.

The classifications are as follows:

*Nonspendable* - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

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

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

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education. The Board of Education has by resolution authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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

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

**O. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. 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 their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2023, there was no net position restricted by enabling legislation.

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

**P. Estimates**

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

**Q. Interfund Activity**

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

**R. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activities of the proprietary fund. For the District, these revenues are charges for services self-insurance programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenue and expenses not meeting these definitions are classified as nonoperating.

**S. Fair Value**

The 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.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA 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. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2023.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2023, the 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 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 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 did not have an effect on the financial statements of the District.

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 District.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

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 District.

**B. Deficit Fund Balances**

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

<u>Nonmajor fund</u>	<u>Deficit</u>
Title I	\$ 27,241

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.

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Fund by \$1,409,222 for the year ended June 30, 2023. Also contrary to Ohio law, at June 30, 2023, the Elementary and Secondary School Emergency Relief Fund had a cash deficit balance of \$376,624.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the 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 District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board 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 or deposit 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 and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% 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 STAR Plus); 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 District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash in Segregated Accounts**

At fiscal year end, \$21,646 was maintained in a checking account that the District established for funds related to an Employee Flex account. This depository account is included in the total amount of "Deposits with Financial Institutions".

**B. Deposits with Financial Institutions**

At June 30, 2023, the carrying amount of all District deposits was \$2,963,333 and the bank balance of all District deposits was \$3,203,526. Of the bank balance, \$2,784,542 was covered by the FDIC, \$418,984 was covered by the Ohio Pooled Collateral System, and \$0 was potentially exposed to custodial risk.

The District participates in the Jefferson Health Plan for employee benefits. The amount held at fiscal year- end for the employee benefit self-insurance fund was \$1,902,262. All benefit deposits are made to the consortium's depository account. Collateral is held by a qualified third-party trustee in the name of the health plan. This amount is reported as "cash and cash equivalents with a fiscal agent" on the basic financial statements.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA 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 District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The 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's 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 rate set by the Treasurer of State. For fiscal year 2023, certain District's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

**C. Investments**

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

Measurement/ Investment type	Measurement Value	Investment Maturity				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair value:</i>						
FFCB	\$ 388,611	\$ 98,923	\$ 289,688	\$ -	\$ -	\$ -
FHLB	623,089	295,163	-	122,753	115,508	89,665
Negotiable CDs	1,310,755	-	389,096	533,614	246,205	141,840
Commercial paper	578,036	146,940	431,096	-	-	-
U.S. Government money market	73,822	73,822	-	-	-	-
<i>Amortized Cost:</i>						
STAR Ohio	<u>6,457,588</u>	<u>6,457,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 9,431,901</u>	<u>\$ 7,072,436</u>	<u>\$ 1,109,880</u>	<u>\$ 656,367</u>	<u>\$ 361,713</u>	<u>\$ 231,505</u>

The weighted average maturity of investments is 0.34 years.

The District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in commercial paper, federal agency securities (FFCB and 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 District's investment policy limits investment portfolio maturities to five years or less.

*Credit Risk:* The District's investments in commercial paper were rated P-1 by Moody's Investor Services. The 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 and the U.S. Government money market an AAAm money market rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investments in negotiable CDs were not rated. The negotiable CDs were fully insured by FDIC. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA 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 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 District's name. The 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.

The 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 District places no limit on the amount it may invest in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2023:

Measurement		
<u>Measurement/Investment type</u>	<u>Value</u>	<u>% of Total</u>
<i>Fair value:</i>		
FFCB	\$ 388,611	4.12
FHLB	623,089	6.61
Negotiable CDs	1,310,755	13.90
Commercial paper	578,036	6.13
US Government Money market	73,822	0.78
<i>Amortized cost:</i>		
STAR Ohio	<u>6,457,588</u>	<u>68.46</u>
Total	<u>\$ 9,431,901</u>	<u>100.00</u>

**D. Reconciliation of Cash and Investments to the Statement of Net Position**

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

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,963,333
Investments	9,431,901
Cash with fiscal agent	<u>1,902,262</u>
Total	<u>\$ 14,297,496</u>

<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 14,297,496
Total	<u>\$ 14,297,496</u>

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 5 - INTERFUND TRANSACTIONS**

**A. Interfund Transfers**

Transfers made during fiscal year 2023 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ -	\$ 1,427,904
Nonmajor governmental funds	<u>1,437,859</u>	<u>9,955</u>
Total	<u>\$ 1,437,859</u>	<u>\$ 1,437,859</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The \$1,427,904 transfer from the general fund to the capital projects fund (a nonmajor governmental fund) was to fund various capital expenditures. The \$9,955 between capital projects funds was for the consolidation of permanent improvement funds.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported in the statement of activities.

Most transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**B. 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	ESSER fund	\$ 376,625
General fund	Nonmajor governmental funds	<u>201,399</u>
Total		<u>\$ 578,024</u>

The primary purpose of the amount due to the general fund from the ESSER Fund and nonmajor governmental funds 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.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenue received in calendar year 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State law at 35% of appraised market value. Real property taxes are payable annually or semi-annually. 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 revenue received in calendar year 2023 represents collections of calendar year 2023 taxes. Public utility real and tangible personal property taxes received in calendar year 2023 became a lien December 31, 2021, were levied after April 1, 2022 and are collected in 2023 with real property taxes. Public utility real property is assessed at 35% of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Columbiana County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available as an advance at June 30, 2023 in the general fund and classroom facilities maintenance fund (a nonmajor governmental fund) were \$390,627 and \$5,709, respectively. The amount available for advance at June 30, 2022, in the general fund and classroom facilities maintenance fund (a nonmajor governmental fund) were \$404,212 and \$6,541, respectively. 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, 2022 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

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.

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

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	\$ 160,353,160	86.02	\$ 188,644,330	87.59
Public utility personal	<u>26,062,370</u>	<u>13.98</u>	<u>26,722,670</u>	<u>12.41</u>
Total	<u>\$ 186,415,530</u>	<u>100.00</u>	<u>\$ 215,367,000</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation for:				
General	\$33.55		\$32.73	
Classroom facilities maint.	0.50		0.50	

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2023 consisted of property taxes, accrued interest and intergovernmental. 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. Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected in the subsequent year. The intergovernmental receivable at June 30 consisted of federal grants and other receivables.

**Governmental activities:**

Property taxes	\$ 5,613,479
Accrued interest	2,530
Intergovernmental	<u>957,649</u>
 Total	 <u>\$ 6,573,658</u>

**NOTE 8 - CAPITAL ASSETS**

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

	Balance 06/30/22	Additions	Deductions	Balance 06/30/23
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 46,225	\$ -	\$ -	\$ 46,225
<i>Total capital assets, not being depreciated/amortized</i>	<u>46,225</u>	<u>-</u>	<u>-</u>	<u>46,225</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	3,076,539	83,460	-	3,159,999
Buildings and improvements	62,953,775	-	-	62,953,775
Furniture and fixtures	6,109,915	159,553	-	6,269,468
Vehicles	2,939,441	105,352	(49,610)	2,995,183
Intangible right to use assets:				
Leased equipment	31,815	-	-	31,815
<i>Total capital assets, being depreciated/amortized</i>	<u>75,111,485</u>	<u>348,365</u>	<u>(49,610)</u>	<u>75,410,240</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(2,586,557)	(93,620)	-	(2,680,177)
Buildings and improvements	(26,387,038)	(1,394,245)	-	(27,781,283)
Furniture and fixtures	(5,328,952)	(132,941)	-	(5,461,893)
Vehicles	(2,017,378)	(109,200)	49,610	(2,076,968)
Intangible right to use assets:				
Leased equipment	(22,271)	(6,363)	-	(28,634)
<i>Total accumulated depreciation/amortization</i>	<u>(36,342,196)</u>	<u>(1,736,369)</u>	<u>49,610</u>	<u>(38,028,955)</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 38,815,514</u></b>	<b><u>\$ (1,388,004)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 37,427,510</u></b>

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 8 - CAPITAL ASSETS- (Continued)**

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

Instruction:

Regular	\$ 1,571,939
Vocational	13,717

Support services:

Instructional staff	1,151
Administration	1,460
Operations and maintenance	61,658
Pupil transportation	39,400
Food service operations	35,159
Extracurricular activities	<u>11,885</u>
Total depreciation/amortization expense	<u>\$ 1,736,369</u>

**NOTE 9 - NOTES PAYABLE**

In December 2010, the District entered into a Ground Lease Purchase Agreement with Huntington National Bank, in which the District was the Lessor of District land (known as the “Project Site”) for school facilities construction. On the same date, the District entered into a finance purchase agreement with Huntington National Bank in which the District would lease, from Huntington National Bank, the Project Site and Project Facilities. The notes payable – finance purchase is considered a direct borrowing. Direct borrowings have terms negotiated directly between the District and the lender and are not offered for public sale.

In return for the Ground Lease Purchase Agreement, Huntington National Bank agrees to make available \$2,000,000 for school facilities improvements. The term of the Ground Lease Purchase Agreement is 14 years and will end on December 31, 2025. As Lessee, Huntington National Bank made a one-time payment of \$1 to the District, which represents their leasehold interest in the Project Site over the term of the lease.

The Lease Agreement entered into between the same two parties had an initial lease term ending June 30, 2011. The Lease may be renewed by the Lessee (the District) annually for one year each through December 1, 2021. Each renewal shall be considered a new lease. Principal payments on each annual lease are in the amount of \$200,000.

In June 2015, the District amended the Ground Lease Purchase Agreement with Huntington National Bank, in which the District was the Lessor of District land (known as the “Project Site”) for additional school facilities construction. On the same date, the District entered into a lease agreement with Huntington National Bank in which the District would lease, from Huntington National Bank, the Project Site and Project Facilities.

In return for the Ground Lease Purchase Agreement, Huntington National Bank agrees to make available \$1,900,000 for additional school facilities improvements. The term of the Ground Lease Agreement is 14 years and will end on December 1, 2025. As Lessee, Huntington National Bank made a one-time payment of \$1 to the District, which represents their leasehold interest in the Project Site over the term of the lease.

The Lease Purchase Agreement entered into between the same two parties had an initial lease term ending June 30, 2015. The Lease may be renewed by the Lessee (the “District”) annually for one year each through July 1, 2026. Each renewal shall be considered a new lease. Principal payments on each annual lease are in the amount of \$200,000.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 9 - NOTES PAYABLE - (Continued)**

During a previous fiscal year, the District entered into lease purchase agreement for trucks, copiers and buses. Notes payable - financed purchase payments have been reclassified and are reflected as debt service expenditures in the fund financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital assets consisting of equipment and vehicles have been capitalized in the amount of \$2,933,843. This amount represents the present value of the minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2023 for the equipment and vehicles was \$1,564,393, leaving a current book value of \$1,369,451. A corresponding liability is recorded in the government-wide financial statements.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2024	291,753
2025	288,010
2026	<u>213,412</u>
 Total minimum lease payments	 793,175
Less: amount representing interest	<u>(36,835)</u>
 Total	 <u>\$ 756,340</u>

**NOTE 10 - LONG-TERM OBLIGATIONS**

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

	Balance 6/30/22	Additions	Deductions	Balance 6/30/23	Amount Due Within One Year
<b><u>Governmental activities:</u></b>					
Net pension liability	\$ 16,188,262	\$ 10,900,856	\$ -	\$ 27,089,118	\$ -
Net OPEB liability/asset	1,978,607	-	(547,572)	1,431,035	-
Compensated absences	1,197,174	71,570	(68,290)	1,200,454	115,640
Notes payable - financed purchase	1,022,010	-	(265,670)	756,340	270,670
Leases payable	11,833	-	(7,258)	4,575	4,575
 Total long-term obligations	 <u>\$ 20,397,886</u>	<u>\$ 10,972,426</u>	<u>\$ (888,790)</u>	<u>\$ 30,481,522</u>	<u>\$ 390,885</u>

*Net Pension Liability and Net OPEB Liability/Asset:* The District pays obligations related to employee compensation from the fund benefiting from their service. See Notes 13 and 14 for details.

*Compensated Absences:* Compensated absences will be paid from the fund from which the employees' salaries are paid. Compensated absences will primarily be paid from the general fund.

*Notes Payable - Financed Purchase:* The notes payable will be paid from the general fund. See Note 9 for detail.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

*Leases Payable:* The District has entered into lease agreements for the use of right to use equipment. Due to the implementation of GASB Statement No. 87, the 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 and the permanent improvement nonmajor capital improvements fund.

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

<u>Leases</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Copiers	2019	5	2024	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	\$ 4,575	\$ 152	\$ 4,727
Total	\$ 4,575	\$ 152	\$ 4,727

**NOTE 11 - OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five days of vacation per fiscal year, depending upon length of service. There is no limit on the amount they may accumulate. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 258 days for classified personnel and 275 days for certified personnel. Upon retirement, payment is made to classified employees for one-third of the first 90 days plus 10% of the remaining balance up to the 255 days maximum and to certified employees for one-third of the first 105 days plus 10% of the remaining balance up to 265 days maximum. In no case shall a certified retiree receive less than 10 days, regardless of the number of sick days accumulated.

**B. Life Insurance**

The District provides term life insurance and accidental death and dismemberment insurance to all certified employees and to those classified employees working at least 22.5 hours per week through Fort Dearborn Life Insurance Company.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 11 - OTHER EMPLOYEE BENEFITS - (Continued)**

**C. Health Insurance**

During fiscal year 2009, the District joined the Jefferson Health Plan self-insurance plan (See Note 20) for its medical and dental insurance programs. Premiums are paid into the self-insurance fund and are available to pay claims and administrative costs. A stop-loss insurance contract with a private insurance carrier covers specific liability claims in excess of \$50,000 per employee. The liability for unpaid claims of \$966,834 is reported in the internal service fund at June 30, 2023, in accordance with Governmental Accounting Standards Board Statement No. 10. There have been no settlements paid in excess of insurance nor has insurance coverage been significantly reduced in the past three years.

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2023	\$ 681,061	\$ 6,002,015	\$ (5,716,242)	\$ 966,834
2022	677,086	4,869,773	(4,865,798)	681,061

**NOTE 12 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023, the District contracted for various types of insurance through the Ohio School Insurance Program.

Coverage provided is as follows:

<u>Types of Coverage</u>	<u>Coverage Amount</u>
Property: All Building and Contents (\$1,000 deductible)	\$ 139,428,889
Flood: Field, Building and Contents (\$25,000 deductible)	1,000,000
Crime Insurance	25,000
Automobile	3,000,000
Uninsured	1,000,000
General Liability (\$1,000 deductible)	
Per Occurrence	3,000,000
Total Per Year	5,000,000

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

The District pays the State Workers Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 13 - 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 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 District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

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

The remainder of this note includes the required pension disclosures. See Note 14 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.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

Plan Description - The 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](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017*	Eligible to Retire 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 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 District's contractually required contribution to SERS was \$549,880 for fiscal year 2023. Of this amount, \$29,639 is reported as pension and postemployment benefits payable.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 13 - 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](http://www.strsoh.org).

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (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.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 13 - 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 District's contractually required contribution to STRS was \$1,858,023 for fiscal year 2023. Of this amount, \$311,588 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 District's proportion of the net pension liability was based on the 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	0.101393700%	0.097350437%	
Proportion of the net pension liability current measurement date	<u>0.099497000%</u>	<u>0.097649230%</u>	
Change in proportionate share	<u>-0.001896700%</u>	<u>0.000298793%</u>	
Proportionate share of the net pension liability	\$ 5,381,572	\$ 21,707,546	\$ 27,089,118
Pension expense	\$ 337,026	\$ 2,511,473	\$ 2,848,499

At June 30, 2023, the 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>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 217,958	\$ 277,885	\$ 495,843
Net difference between projected and actual earnings on pension plan investments	- 53,100	755,373 2,597,741	755,373 2,650,841
Changes of assumptions	67,550	-	67,550
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	549,880	1,858,023	2,407,903
Contributions subsequent to the measurement date	<u>\$ 888,488</u>	<u>\$ 5,489,022</u>	<u>\$ 6,377,510</u>
Total deferred outflows of resources	<u>\$ 888,488</u>	<u>\$ 5,489,022</u>	<u>\$ 6,377,510</u>

**EAST LIVERPOOL 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 PENSION PLANS - (Continued)**

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 35,329	\$ 83,037	\$ 118,366
Net difference between projected and actual earnings on pension plan investments	187,793	-	187,793
Changes of assumptions	-	1,955,352	1,955,352
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>67,369</u>	<u>359,253</u>	<u>426,622</u>
Total deferred inflows of resources	<u><u>\$ 290,491</u></u>	<u><u>\$ 2,397,642</u></u>	<u><u>\$ 2,688,133</u></u>

\$2,407,903 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the 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>
<b>Fiscal Year Ending June 30:</b>			
2024	\$ 55,603	\$ (92,398)	\$ (36,795)
2025	(51,303)	(202,666)	(253,969)
2026	(268,263)	(673,076)	(941,339)
2027	<u>312,080</u>	<u>2,201,497</u>	<u>2,513,577</u>
<b>Total</b>	<u><u>\$ 48,117</u></u>	<u><u>\$ 1,233,357</u></u>	<u><u>\$ 1,281,474</u></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.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 13 - 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.

**EAST LIVERPOOL 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 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 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.

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 7,921,417	\$ 5,381,572	\$ 3,241,787

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***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%

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:

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
<b>Total</b>	<b>100.00 %</b>	

**EAST LIVERPOOL 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 PENSION PLANS - (Continued)**

\* 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.

**Sensitivity of the 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:

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 32,792,201	\$ 21,707,546	\$ 12,333,362

**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 14 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

See Note 13 for a description of the net OPEB liability (asset).

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

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certified 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](http://www.ohsers.org) under Employers/Audit Resources.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% 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 District's surcharge obligation was \$76,716.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$76,716 for fiscal year 2023. Of this amount, \$76,716 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](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. 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 District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.104545400%	0.097350437%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.101924800%</u>	<u>0.097649230%</u>	
Change in proportionate share	<u>-0.002620600%</u>	<u>0.000298793%</u>	
Proportionate share of the net OPEB liability	\$ 1,431,035	\$ -	\$ 1,431,035
Proportionate share of the net OPEB asset	\$ -	\$ (2,528,463)	\$ (2,528,463)
OPEB expense	\$ (128,582)	\$ (437,669)	\$ (566,251)

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

	SERS	STRS	Total
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 12,029	\$ 36,657	\$ 48,686
Net difference between projected and actual earnings on OPEB plan investments	7,436	44,014	51,450
Changes of assumptions	227,623	107,703	335,326
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	73,058	42,051	115,109
Contributions subsequent to the measurement date	<u>76,716</u>	<u>-</u>	<u>76,716</u>
Total deferred outflows of resources	<u>\$ 396,862</u>	<u>\$ 230,425</u>	<u>\$ 627,287</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 915,397	\$ 379,733	\$ 1,295,130
Changes of assumptions	587,450	1,792,931	2,380,381
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>162,014</u>	<u>3,708</u>	<u>165,722</u>
Total deferred inflows of resources	<u>\$ 1,664,861</u>	<u>\$ 2,176,372</u>	<u>\$ 3,841,233</u>

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

\$76,716 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/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:

Fiscal Year Ending June 30:	SERS	STRS	Total
2024	\$ (318,646)	\$ (561,954)	\$ (880,600)
2025	(306,900)	(551,638)	(858,538)
2026	(256,992)	(271,817)	(528,809)
2027	(158,429)	(113,266)	(271,695)
2028	(111,065)	(147,918)	(258,983)
Thereafter	<u>(192,683)</u>	<u>(299,354)</u>	<u>(492,037)</u>
<b>Total</b>	<b><u>\$ (1,344,715)</u></b>	<b><u>\$ (1,945,947)</u></b>	<b><u>\$ (3,290,662)</u></b>

***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.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 14 - 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

Pre-Medicare

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.

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

**NOTE 14 - 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><u>100.00 %</u></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.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates*** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, 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%).

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 1,777,367	\$ 1,431,035	\$ 1,151,451
	Current	Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 1,103,585	\$ 1,431,035	\$ 1,858,738

***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:

	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	
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.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 14 - 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.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Sensitivity of the 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.

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 2,341,404	\$ 2,528,463	\$ 2,692,042
District's proportionate share of the net OPEB asset	1% Decrease	Current Trend Rate	1% Increase
	\$ 2,622,632	\$ 2,528,463	\$ 2,409,599

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**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 15 - 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, disbursements and encumbrances.

The Statement of Revenues, Expenditures and Changes in Fund Balances-Budget (Non-GAAP Basis) and Actual, presented for the general fund and any major special revenue fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget and the fund financial statements are the following:

1. Revenues and other sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures and other financing sources are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as assignments or commitments of fund balances (GAAP basis);
4. Investments are reported at fair value (GAAP basis) rather than cost (budget basis); and,
5. Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund:

<b>Net Change in Fund Balance</b>		
	<u>General fund</u>	<u>ESSER fund</u>
Budget basis	\$ 308,543	\$ 50,992
Net adjustment for revenue accruals	(97,579)	(446,262)
Net adjustment for expenditure accruals	(465,960)	(8,592)
Net adjustment for other sources/uses	136,756	-
Funds budgeted elsewhere	17,137	-
Adjustment for encumbrances	<u>191,019</u>	<u>411,981</u>
GAAP basis	<u>\$ 89,916</u>	<u>\$ 8,119</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 public school support fund and the termination benefits fund.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 16 - CONTINGENCIES**

**A. Grants**

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2023, if applicable, cannot be determined at this time.

**B. Litigation**

The District is not party to any claims or lawsuits that would, in the District's opinion, have a material effect of the basic financial statements.

**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 District, which can extend past the fiscal year-end. As of the date of this report, ODE has finalized the impact of enrollment adjustments and there was no material adjustment.

**NOTE 17 - 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 District received COVID-19 funding. The District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**NOTE 18 - SET-ASIDES**

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

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

	<u>Capital Improvements</u>
Set-aside reserve balance June 30, 2022	\$ -
Current year set-aside requirement	426,439
Current year offsets	(210,294)
Prior year offset from bond proceeds	<u>(216,145)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2024	<u>\$ -</u>
Set-aside reserve balance June 30, 2023	<u>\$ -</u>

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**NOTE 18 - SET-ASIDES - (Continued)**

During fiscal year 2003, the District issued \$7,900,000 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 zero. The District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$5,785,613 at June 30, 2023.

**NOTE 19 - COMMITMENTS**

The 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 District's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End</u>
	<u>Encumbrances</u>
General	\$ 112,391
ESSER	356,349
Nonmajor governmental	<u>414,714</u>
 Total	 <u>\$ 883,454</u>

**NOTE 20 - CLAIMS SERVICING POOL**

*Jefferson Health Plan* - The District began participating in the Jefferson Health Plan during the 2009 fiscal year, a public entity risk management, insurance, and claims servicing pool, consisting of school districts within the region, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the school districts' behalf. All participating members retain their risk and the Plan acts as the claims servicing agent.

## REQUIRED SUPPLEMENTARY INFORMATION

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
District's proportion of the net pension liability	0.099497000%	0.101393700%	0.09656710%	0.09795990%
District's proportionate share of the net pension liability	\$ 5,381,572	\$ 3,741,134	\$ 6,387,151	\$ 5,861,113
District's covered payroll	\$ 3,760,807	\$ 3,491,250	\$ 3,377,164	\$ 3,369,119
District's proportionate share of the net pension liability as a percentage of its covered payroll	143.10%	107.16%	189.13%	173.97%
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 District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.10267410%	0.10497820%	0.10503950%	0.10300870%	0.10718500%	0.10718500%
\$ 5,880,336	\$ 6,272,216	\$ 7,687,922	\$ 5,877,776	\$ 5,424,572	\$ 6,373,948
\$ 3,368,570	\$ 3,455,793	\$ 3,301,021	\$ 2,875,857	\$ 3,434,618	\$ 3,102,392
174.56%	181.50%	232.90%	204.38%	157.94%	205.45%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
District's proportion of the net pension liability	0.0976492300%	0.0973504370%	0.09870733%	0.09962909%
District's proportionate share of the net pension liability	\$ 21,707,546	\$ 12,447,128	\$ 23,883,662	\$ 22,032,375
District's covered payroll	\$ 12,664,207	\$ 12,296,464	\$ 11,827,657	\$ 11,743,729
District's proportionate share of the net pension liability as a percentage of its covered payroll	171.41%	101.23%	201.93%	187.61%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.09982283%	0.09628277%	0.09647745%	0.10235550%	0.10149734%	0.10149734%
\$ 21,948,799	\$ 22,872,178	\$ 32,293,911	\$ 28,288,066	\$ 24,687,666	\$ 29,407,786
\$ 11,673,657	\$ 10,396,193	\$ 10,355,707	\$ 10,120,007	\$ 10,883,323	\$ 9,322,146
188.02%	220.01%	311.85%	279.53%	226.84%	315.46%
77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

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

**LAST TEN FISCAL YEARS**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Contractually required contribution	\$ 549,880	\$ 526,513	\$ 488,775	\$ 472,803
Contributions in relation to the contractually required contribution	<u>(549,880)</u>	<u>(526,513)</u>	<u>(488,775)</u>	<u>(472,803)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,927,714	\$ 3,760,807	\$ 3,491,250	\$ 3,377,164
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 454,831	\$ 454,757	\$ 483,811	\$ 462,143	\$ 379,038	\$ 476,038
<u>(454,831)</u>	<u>(454,757)</u>	<u>(483,811)</u>	<u>(462,143)</u>	<u>(379,038)</u>	<u>(476,038)</u>
<u>\$ -</u>					
\$ 3,369,119	\$ 3,368,570	\$ 3,455,793	\$ 3,301,021	\$ 2,875,857	\$ 3,434,618
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

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

**LAST TEN FISCAL YEARS**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Contractually required contribution	\$ 1,858,023	\$ 1,772,989	\$ 1,721,505	\$ 1,655,872
Contributions in relation to the contractually required contribution	<u>(1,858,023)</u>	<u>(1,772,989)</u>	<u>(1,721,505)</u>	<u>(1,655,872)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 13,271,593	\$ 12,664,207	\$ 12,296,464	\$ 11,827,657
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 1,644,122	\$ 1,634,312	\$ 1,455,467	\$ 1,449,799	\$ 1,416,801	\$ 1,414,832
<u>(1,644,122)</u>	<u>(1,634,312)</u>	<u>(1,455,467)</u>	<u>(1,449,799)</u>	<u>(1,416,801)</u>	<u>(1,414,832)</u>
<u>\$ -</u>					
\$ 11,743,729	\$ 11,673,657	\$ 10,396,193	\$ 10,355,707	\$ 10,120,007	\$ 10,883,323
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
District's proportion of the net OPEB liability	0.10192480%	0.10454540%	0.10059190%	0.10042560%
District's proportionate share of the net OPEB liability	\$ 1,431,035	\$ 1,978,607	\$ 2,186,191	\$ 2,525,493
District's covered payroll	\$ 3,760,807	\$ 3,491,250	\$ 3,377,164	\$ 3,369,119
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	38.05%	56.67%	64.73%	74.96%
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 District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2019</b>	<b>2018</b>	<b>2017</b>
0.10422490%	0.10662540%	0.10648724%
\$ 2,891,480	\$ 2,861,546	\$ 3,035,280
\$ 3,368,570	\$ 3,455,793	\$ 3,301,021
85.84%	82.80%	91.95%
13.57%	12.46%	11.49%

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
District's proportion of the net OPEB liability/asset	0.097649230%	0.097350437%	0.09870733%	0.09962909%
District's proportionate share of the net OPEB liability/(asset)	\$ (2,528,463)	\$ (2,052,554)	\$ (1,734,781)	\$ (1,650,096)
District's covered payroll	\$ 12,664,207	\$ 12,296,464	\$ 11,827,657	\$ 11,743,729
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	19.97%	16.69%	14.67%	14.05%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.10%	174.40%

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 District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2019</b>	<b>2018</b>	<b>2017</b>
0.09982283%	0.09628277%	0.09647745%
\$ (1,604,051)	\$ 3,756,598	\$ 5,159,639
\$ 11,673,657	\$ 10,396,193	\$ 10,355,707
13.74%	36.13%	49.82%
176.00%	47.10%	37.30%

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

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

**LAST TEN FISCAL YEARS**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Contractually required contribution	\$ 76,716	\$ 67,525	\$ 67,139	\$ 56,792
Contributions in relation to the contractually required contribution	<u>(76,716)</u>	<u>(67,525)</u>	<u>(67,139)</u>	<u>(56,792)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,927,714	\$ 3,760,807	\$ 3,491,250	\$ 3,377,164
Contributions as a percentage of covered payroll	1.95%	1.80%	1.92%	1.68%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 78,311	\$ 73,425	\$ 58,561	\$ 54,060	\$ 54,414	\$ 66,646
<u>(78,311)</u>	<u>(73,425)</u>	<u>(58,561)</u>	<u>(54,060)</u>	<u>(54,414)</u>	<u>(66,646)</u>
<u>\$ -</u>					
\$ 3,369,119	\$ 3,368,570	\$ 3,455,793	\$ 3,301,021	\$ 2,875,857	\$ 3,434,618
2.32%	2.18%	1.69%	1.64%	1.89%	1.94%

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

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

**LAST TEN FISCAL YEARS**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
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>
District's covered payroll	\$ 13,271,593	\$ 12,664,207	\$ 12,296,464	\$ 11,827,657
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,833
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -	\$ -	\$ -	<b>(108,833)</b>
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 11,743,729	\$ 11,673,657	\$ 10,396,193	\$ 10,355,707	\$ 10,120,007	\$ 10,883,323
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**PENSION**

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*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)

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**PENSION (CONTINUED)**

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**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)**

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**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)

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

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**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)

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

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**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)

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY, OHIO**

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

**OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

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***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.

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY**

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

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <i>Program / Cluster Title</i>	<b>Pass Through Entity Identifying Number</b>	<b>Federal AL Number</b>	<b>Total Federal Receipts</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed Through Ohio Department of Education and Workforce:</i>				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):		10.555	\$63,912	\$63,912
Cash Assistance:				
School Breakfast Program		10.553	301,705	301,705
National School Lunch Program		10.555	1,012,759	1,012,759
COVID-19 School Lunch Program		10.555	51,772	28,922
			1,064,531	1,041,681
Fresh Fruits and Vegetables Program	2022	10.582		2,621
	2023	10.582	85,457	74,353
			85,457	76,974
Cash Assistance Subtotal			1,451,693	1,420,360
Total Child Nutrition Cluster (Cash and Non-cash)			\$1,515,605	\$1,484,272
COVID-19 Pandemic EBT Food Benefit Program		10.649	3,135	3,135
Total U.S Department of Agriculture - (Cash and Non-cash)			1,518,740	1,487,407
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<i>Passed Through Ohio Department of Education and Workforce:</i>				
Special Education Cluster:				
Special Education Grants to States (IDEA Part B)	2022	84.027A	73,645	64,385
	2023	84.027A	525,552	576,989
COVID-19 ARP IDEA	2022	84.027X	14,911	14,911
	2023	84.027X	26,610	26,610
Total Special Education Grants to States			640,718	682,895
Special Education - Preschool Grants	2023	84.173A	9,975	9,975
COVID-19 ARP Preschool	2023	84.173	8,407	8,407
Total Special Education-Preschool Grants			18,382	18,382
Total Special Education Cluster			659,100	701,277
Title II A - Improving Teacher Quality	2022	84.367A	13,567	11,106
	2023	84.367A	150,976	153,685
Total Title II A - Improving Teacher Quality			164,543	164,791
Student Support Academic Enrichment Program	2022	84.424A	8,325	8,325
	2023	84.424A	86,209	86,209
Total Student Support Academic Enrichment Program			94,534	94,534

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023  
(continued)**

<b>FEDERAL GRANTOR <i>Pass Through Grantor Program / Cluster Title</i></b>	<b>Pass Through Entity Identifying Number</b>	<b>Federal AL Number</b>	<b>Total Federal Receipts</b>	<b>Total Federal Expenditures</b>
<b><u>U.S. DEPARTMENT OF EDUCATION (continued)</u></b>				
<i>Passed Through Ohio Department of Education and Workforce (continued):</i>				
COVID-19 Education Stabilization Fund Under The Coronavirus Aid, Relief, and Economic Security Act (ESSER II)	2022	84.425(D)	1,065,825	944,979
COVID-19 ARP Education Stabilization Fund Under The Coronavirus Aid, Relief (Homeless)	2022	84.425(U)	-	7,433
COVID-19 ARP Education Stabilization Fund Under The Coronavirus Aid, Relief, and Economic Security Act	2023	84.425(U)	3,514,612	3,165,051
Total COVID-19 Education Stabilization Fund Under The Coronavirus Aid, Relief, and Economic Security Act			4,580,437	4,117,463
Grants to Local Educational Agencies (ESEA Title I)	2022	84.010A	224,099	193,666
	2023	84.010A	859,928	985,102
Title I Supplemental School Improvement	2022	84.010A	7,059	5,135
	2023	84.010A	35,070	49,901
Title I Expanding Opportunities Stem to Steam	2022	84.010A	32,118	
	2023	84.010A	22,771	22,771
Total Grants to Local Educational Agencies (ESEA Title I)			1,181,045	1,256,575
Rural Education	2023	84.358B	3,066	3,066
Career and Technical Education - Basic Grants to States	2023	84.048	60,112	60,112
State Personnel Development Grant - Early Literacy	2023	84.323	28,833	28,833
Total U.S. Department of Education			<b>6,771,670</b>	<b>6,426,651</b>
<b><u>U.S. FEDERAL COMMUNICATIONS COMMISSION</u></b>				
<i>Passed Through State of Ohio Federal Communications Commission</i>				
COVID-19 FCC Emergency Connectivity Fund	2023	32.009	115,382	115,382
Total U.S. Federal Communications Commission			<b>115,382</b>	<b>115,382</b>
<b><u>U.S. DEPARTMENT OF TREASURY</u></b>				
<i>Passed Through Ohio Department of Treasury:</i>				
COVID-19 K-12 School Safety Grant Program	2023	21.027	600,000	273,373
Total U.S. Department of Treasury			<b>600,000</b>	<b>273,373</b>
<b>Total Receipts and Expenditures of Federal Awards</b>			<b>\$9,005,792</b>	<b>\$8,302,813</b>

*The accompanying notes are an integral part of this schedule.*

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Receipts and Expenditures of Federal Awards (the Schedule) includes the federal award activity of East Liverpool City School District (the District) under programs of the federal government for the year ended June 30, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the 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 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 District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

**NOTE E – FOOD DONATION PROGRAM**

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

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# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
[ContactUs@ohioauditor.gov](mailto:ContactUs@ohioauditor.gov)  
800-282-0370

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

East Liverpool City School District  
Columbiana County  
810 West 8th Street  
East Liverpool, Ohio 43920

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 East Liverpool City School District, Columbiana County, (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 3, 2024, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

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Efficient • Effective • Transparent

East Liverpool City School District  
Columbiana County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

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

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-001.

***District's Response to the Finding***

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs and corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

June 3, 2024



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

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

East Liverpool Local School District  
Columbiana County  
810 West 8th Street  
East Liverpool, Ohio 43920

To the Board of Education:

**Report on Compliance for Each Major Federal Program**

***Qualified and Unmodified Opinions***

We have audited East Liverpool City School District's, Columbiana County, (the 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 East Liverpool City School District's major federal programs for the year ended June 30, 2023. East Liverpool City School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

***Qualified Opinion on the Nutrition Cluster and Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act***

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, East Liverpool City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Nutrition Cluster and Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act for the year ended June 30, 2023.

***Unmodified Opinion on the Other Major Federal Program***

In our opinion, East Liverpool City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

East Liverpool City School District

Columbiana County

Independent Auditor's Report on Compliance with Requirements

Applicable to Each Major Federal Program and on Internal Control Over Compliance

Required by the Uniform Guidance

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***Basis for Qualified and Unmodified Opinions***

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 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 qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Matters Giving Rise to Qualified Opinion on the Nutrition Cluster and Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act***

As described in findings 2023-002 and 2023-003 in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding the following:

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2023-002	84.425 (D) & (U)	Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act	Unallowable Costs/Cost Principles and Allowable Activities
2023-003	10.553, 10.555, and 10.582	Nutrition Cluster	Procurement and Suspension and Debarment

Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

***Responsibilities of Management for Compliance***

The 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 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 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 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 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 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 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.

### ***Other Matters***

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs and corrective action plan. The District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### ***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.

East Liverpool City School District

Columbiana County

Independent Auditor's Report on Compliance with Requirements

Applicable to Each Major Federal Program and on Internal Control Over Compliance

Required by the Uniform Guidance

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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, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-002 and 2023-003 to be material weaknesses.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs and corrective action plan. The District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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



Keith Faber  
Auditor of State  
Columbus, Ohio

June 3, 2024

**EAST LIVERPOOL CITY SCHOOL DISTRICT  
COLUMBIANA COUNTY**

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

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified – Title 1 (AL#84.010) Qualified – Nutrition Cluster (AL #10.553, 10.555 and 10.582) Qualified – COVID-19 Education Stabilization Fund Under The Coronavirus Aid, Relief, and Economic Security Act (AL #84.425(D) & (U))
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	Yes
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Title 1 (AL #84.010) Nutrition Cluster (AL #10.553, 10.555 and 10.582) COVID-19 Education Stabilization Fund Under The Coronavirus Aid, Relief, and Economic Security Act (AL #84.425(D) & (U))
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	No

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

**FINDING NUMBER 2023-001**

**Noncompliance and Significant Deficiency – Expenditures Exceeding Appropriations**

**Ohio Rev. Code § 5705.41(B)** prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the District's General Fund and Food Service Fund had expenditures in excess of appropriations of \$1,409,222 and \$19,357, respectively, as of June 30, 2023.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Board of Education should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Treasurer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

**Official's Response:** See Corrective Action Plan.

**3. FINDINGS FOR FEDERAL AWARDS**

**Federal Programs – Unallowable Costs/Cost Principles and Allowable Activities**

<b>Finding Number:</b>	<b>2023-002</b>
<b>Assistance Listing Number and Title:</b>	<b>AL #84.425(D) &amp; (U) COVID-19 Education Stabilization Fund Under The Coronavirus Aid, Relief, and Economic Security Act</b>
<b>Federal Award Identification Number / Year:</b>	<b>2023</b>
<b>Federal Agency:</b>	<b>United States Department of Education</b>
<b>Compliance Requirement:</b>	<b>Unallowable Costs/Cost Principles and Allowable Activities</b>
<b>Pass-Through Entity:</b>	<b>Ohio Department of Education</b>
<b>Repeat Finding from Prior Audit?</b>	<b>No</b>

**Noncompliance, Material Weakness, and Questioned Cost**

**2 CFR § 200.439(b)(1)** states that capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding agency or pass-through entity. Further, **2 CFR § 200.439(b)(2)** states that capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the Federal awarding agency or pass-through entity. **2 CFR § 200.439(b)(3)** states, in part, that capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life are unallowable as a direct cost except with the prior written approval of the Federal awarding agency, or pass-through entity.

**FINDING NUMBER 2023-002 (Continued)**

**2 CFR § 200.421(e)(3)** states, in part, that unallowable advertising and public relations costs include the costs of promotional items and memorabilia, including models, gifts, and souvenirs.

Additionally, the federal grant agreement states, in part, that all construction and other capital expenditures/improvements supported with federal funds must be pre-approved by the Ohio Department of Education through the CCIP Application Process. Construction means (A) the preparation of drawings and specifications for school facilities; (B) erecting, building, acquiring, altering, remodeling, repairing, or extending school facilities; and (C) inspecting and supervising the construction of school facilities. Capital expenditures means expenditures to acquire capital assets (i.e., land, facilities, or equipment over \$5,000 per unit) or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

60 non-payroll transactions totaling \$923,224 were sampled, along with two individually important items totaling \$372,000. The following exceptions were identified:

- 18 out of 60 transactions totaling \$344,620 and one out of two individually important items totaling \$198,000 did not meet the programmatic requirements listed above.
- One of the above expenditures for the purchase of new hire t-shirts in the amount of \$288 is unallowable per CFR § 200.421(e)(3).
- 17 of the above expenditures and one individually important item were for the purchase of various capital expenditures (the Patterson Field project, scoreboard, gym floor resurfacing, electrical repairs, garage roof repairs, gymnasium sound system, boiler repairs, security cameras, riding floor scrubber, copiers, a tractor, classroom expansion project and an ice machine) for which the District did not obtain sufficient prior approval per 2 CFR § 200.439(b)(1), 2 CFR § 200.439(b)(2), and 2 CFR § 200.439(b)(3).

The unallowable activities/costs paid with these Federal grant monies is in excess of \$25,000 and therefore considered questioned costs under 2 CFR § 200.516.

District management should review all grant award documents in order to execute policies and procedures which help ensure compliance with grant requirements. The District should thoroughly review all grant documentation to ensure all expenditures spent using Federal funds are in compliance with requirements.

**Official's Response:** See Corrective Action Plan.

**Federal Programs – Procurement and Suspension and Debarment**

<b>Finding Number:</b>	<b>2023-003</b>
<b>Assistance Listing Number and Title:</b>	<b>AL #10.553, #10.555, and #10.582 Nutrition Cluster</b>
<b>Federal Award Identification Number / Year:</b>	<b>2023</b>
<b>Federal Agency:</b>	<b>United States Department of Education</b>
<b>Compliance Requirement:</b>	<b>Procurement and Suspension and Debarment</b>
<b>Pass-Through Entity:</b>	<b>Ohio Department of Education</b>
<b>Repeat Finding from Prior Audit?</b>	<b>Yes</b>
<b>Prior Audit Finding Number:</b>	<b>2022-001</b>

**FINDING NUMBER 2023-003 (Continued)**

**Noncompliance and Material Weakness**

**2 CFR 180.305** states that Non-Federal entities are prohibited from entering into a covered transaction with parties that are suspended or debarred or whose principals are suspended or debarred, unless the Federal agency responsible for the transaction grants an exception under 2 CFR § 180.135.

**2 CFR 180.200** identifies “covered transactions” as nonprocurement or procurement transactions at the primary tier, between a Federal agency and a person; or at the lower tier, between a participant in a covered transaction and another person. Procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) are covered transactions if the contracts are expected to equal or exceed \$25,000 or meet certain other specified criteria outlined in 2 CFR § 180.220. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless exempt by 2 CFR § 180.215.

When a non-Federal entity enters into a covered transaction, the non-Federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking SAM exclusions (<https://sam.gov>); collecting a certification from the entity, or adding a clause or condition to the covered transactions with that entity.

**District Policy Section D: Fiscal Management - Purchasing Procedures DJF-R**, states that for contracts over \$25,000, the District shall confirm that the vendor is not debarred or suspended by checking the Federal government's System for Award Management, which maintains a list of such debarred or suspended vendors at [www.sam.gov](http://www.sam.gov).

The District did not have the proper internal controls in place to verify that all entities, with whom the District had entered into covered transactions, had not been suspended or debarred. Testing of Procurement and Suspension and Debarment Procedures for Nutrition Cluster, identified four out of five (80%) in which the program had a payment to a vendor of more than \$25,000 and there was no evidence the District verified the contracted service was not suspended or debarred. The District did not check the SAM exclusions, collect a certification from the entity, or add a clause or condition to the covered transactions with the vendors. Due to the deficient internal control structure, the required verification was not completed for the tested covered transactions in the Child Nutrition Cluster Federal Program during Fiscal Year 2023.

Failing to have the appropriate controls in place may result in vendors receiving federal funds that are suspended or debarred.

Prior to contracting with vendors that will be paid with federal funds, the District should verify the vendor is not suspended or debarred by checking the SAM exclusions, collecting a certification from the vendor, or adding a clause or condition to the covered transaction with the vendor.

**Official's Response:** See Corrective Action Plan.

**4. OTHER – FINDINGS FOR RECOVERY**

In addition, we identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS or Single Audit Compliance and Control reports.

**FINDING NUMBER 2023-004**

**Finding for Recovery Repaid Under Audit**

The District entered into a Legal Settlement Agreement to pay the legal fees of a complainant payable to Michelle K. Schnelder (McGuire) in the amount of \$13,000. However, the District paid an invoice in the amount of \$16,880, resulting in an overpayment of \$3,880.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Michelle K. Schnelder (McGuire) in favor of East Liverpool City School District in the amount of \$3,880.

Michelle K. Schnelder (McGuire) remitted a check in the amount of \$3,880 to the District on November 22, 2023 and the District deposited the check on November 30, 2023. Therefore, the finding for recovery has been repaid under audit.

**FINDING NUMBER 2023-005**

**Finding for Recovery**

The District's credit card policy specifies types of allowable purchases that can be made using the District's credit card and requires receipts to be provided for all credit card purchases. Expenditures made in fiscal year 2023 and 2022 totaling \$3,748.52 were unallowable based on the District's credit card policy.

Of the \$3,748.52 unallowable purchases, Jonathan Ludwig, Superintendent, made unallowable purchases totaling \$408.91 in 2023.

Of the \$3,748.52 unallowable purchases, Megan Hernandez, Director of Communications, made unallowable purchases totaling \$1,657.28 in 2023 and \$1,682.33 in 2022, for a total of \$3,339.61.

Per, Ohio Rev. Code § 3313.25, a school district treasurer shall be held liable for a loss of public funds when the loss results from the treasurer's negligence or other wrongful act. Here, the District Treasurer, Anson Wiegand, negligently approved the above purchases contrary to the credit card policy and therefore is jointly and severally liable for the loss of public funds.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Jonathan Ludwig, Superintendent, in the amount of \$408.91, Megan Hernandez, Director of Communications, in the amount of \$3,339.61, along with Anson Wiegand, Treasurer, and Travelers Casualty and Surety Company of America, the District's insurance company, jointly and severally, and in favor of the East Liverpool City School District's Elementary/Secondary School Relief Fund in the amount of \$3,748.52.

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## East Liverpool City Schools

*Empowering our students to reach their fullest potential by  
forging innovative pathways to success.*

Jonathan Ludwig,  
Superintendent

Anson Wiegand,  
Treasurer

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2 CFR 200.511(b)

JUNE 30, 2023

Finding Number	Finding Summary	Status	Additional Information
2019-004	Procurement, Suspension, and Debarment Procedures	Not Corrected	Repeated as issue 2023-003

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## East Liverpool City Schools

*Empowering our students to reach their fullest potential by  
forging innovative pathways to success.*

Jonathan Ludwig,  
Superintendent

Anson Wiegand,  
Treasurer

### CORRECTIVE ACTION PLAN

2 CFR § 200.511(c)

Fiscal year end June 30, 2023

<b>Finding Number:</b>	2023-001
<b>Planned Corrective Action:</b>	We reviewed the details of the Appropriations versus Expenditures and will file amended certificates if needed and or deny budgetary requests when they exceed.
<b>Anticipated Completion Date:</b>	06/01/2024
<b>Responsible Contact Person:</b>	Anson Wiegand
<b>Finding Number:</b>	2023-002
<b>Planned Corrective Action:</b>	We have reviewed the qualifications for allowable expenses classified as supplies versus capital expenditures that of a 600 code with ODE CCIP representatives for project relate cash requests as well as getting pre-approval if varying from the budget details request.
<b>Anticipated Completion Date:</b>	06/01/2024
<b>Responsible Contact Person:</b>	Anson Wiegand
<b>Finding Number:</b>	2023-003
<b>Planned Corrective Action:</b>	We created a file for new vendors and/or transactions greater than \$25K done outside of the consortium with saved W9s and subsequent business search for debarment.
<b>Anticipated Completion Date:</b>	06/01/2024
<b>Responsible Contact Person:</b>	Anson Wiegand

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# OHIO AUDITOR OF STATE KEITH FABER



EAST LIVERPOOL CITY SCHOOL DISTRICT

COLUMBIANA COUNTY

## AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/18/2025

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

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