



OHIO AUDITOR OF STATE
KEITH FABER



**OHIO HI-POINT JOINT VOCATIONAL SCHOOL DISTRICT
LOGAN COUNTY
JUNE 30, 2024**

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**OHIO HI-POINT JOINT VOCATIONAL SCHOOL DISTRICT
LOGAN COUNTY
JUNE 30, 2024**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Ohio Hi-Point Joint Vocational School District
Logan County
2280 State Route 540
Bellefontaine, Ohio 43311

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 Ohio Hi-Point Joint Vocational School District, Logan County, Ohio (the District), as of and for the fiscal year ended June 30, 2024, 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 Ohio Hi-Point Joint Vocational School District, Logan County, Ohio as of June 30, 2024, and the respective changes in financial position thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the 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 19 to the financial statements, during 2024, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. Our opinion is not modified with respect to 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, required budgetary comparison schedule, 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 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 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 February 25, 2025, 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

February 25, 2025

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Ohio Hi-Point Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

The discussion and analysis of Ohio Hi-Point Joint Vocational School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and the basic financial statements to enhance their understanding of the District's performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- Net position of governmental activities increased \$2,848,187 which represents a 23% increase from 2023.
- General revenues accounted for \$19,739,064 in revenue or 78% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$5,504,918 or 22% of total revenues of \$25,243,982.
- The District had \$22,395,795 in expenses related to governmental activities; \$5,504,918 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues of \$19,739,064 were also used to provide for these programs.

Overview of the 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 *Statements 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 General Fund and the Permanent Improvement Fund are the major funds of the District.

Government-wide Financial Statements

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 2024?" The Government-wide Financial Statements answers this question. These statements include *all assets and deferred outflows of resources*, and *liabilities and deferred inflows of resources* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Ohio Hi-Point Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, the overall financial position of the District is presented in the following manner:

- **Governmental Activities** – All of the District's programs and services are reported here including instruction, support services and operation of non-instructional services.

Fund Financial Statements

The analysis of the District's major funds is presented in the Fund Financial Statements. 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.

Governmental Funds All 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 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 financial statements.

The District as a Whole

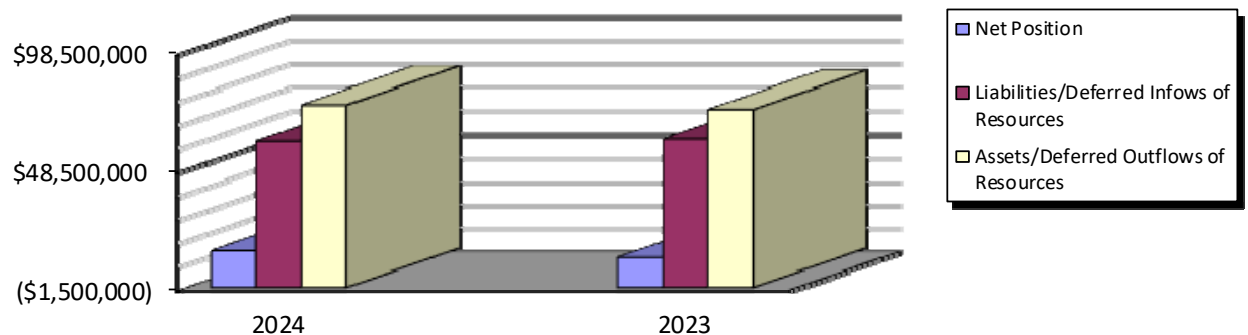
As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2024 compared to 2023:

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Ohio Hi-Point Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

Table 1
Net Position

	Governmental Activities	
	2024	2023
Assets:		
Current and Other Assets	\$32,486,367	\$29,106,878
Net OPEB Asset	975,746	1,283,329
Capital Assets	40,479,794	41,258,206
Total Assets	73,941,907	71,648,413
Deferred Outflows of Resources:		
OPEB	464,466	320,713
Pension	2,797,663	3,343,811
Total Deferred Outflows of Resources	3,262,129	3,664,524
Liabilities:		
Other Liabilities	1,900,062	1,210,544
Long-Term Liabilities	48,816,642	49,638,924
Total Liabilities	50,716,704	50,849,468
Deferred Inflows of Resources:		
Property Taxes	8,266,052	7,944,152
OPEB	1,430,551	1,826,108
Pension	1,421,545	2,172,212
Total Deferred Inflows of Resources	11,118,148	11,942,472
Net Position:		
Net Investment in Capital Assets	6,760,962	9,188,428
Restricted	5,928,312	4,674,117
Unrestricted	2,679,910	(1,341,548)
Total Net Position	\$15,369,184	\$12,520,997



Ohio Hi-Point Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2024, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$15,369,184.

At year-end, capital assets represented 55% of total assets. Capital assets include land, construction in progress, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2024, was \$6,760,962. 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, \$5,928,312 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Capital Assets decreased mainly due to current year asset additions being less than current year deletions. Long-Term Liabilities decreased mainly due to debt payments made.

Table 2 shows the changes in net position for fiscal years 2024 and 2023.

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Ohio Hi-Point Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

Table 2
Changes in Net Position

	Governmental Activities	
	2024	2023
Revenues:		
Program Revenues		
Charges for Services and Sales	\$1,227,652	\$1,183,724
Operating Grants and Contributions	4,277,266	3,438,839
General Revenues:		
Property Taxes	10,676,942	7,608,470
Grants and Entitlements	7,645,506	6,327,539
Investment Earnings	1,080,871	160,336
Other Revenues and Unrestricted Contributions	335,745	330,403
Total Revenues	<u>25,243,982</u>	<u>19,049,311</u>
Program Expenses:		
Instruction	12,204,507	10,107,921
Support Services:		
Pupil and Instructional Staff	2,103,192	1,926,426
School Administration, General		
Administration, Fiscal and Business	2,366,853	2,489,974
Operations and Maintenance	2,502,999	1,982,987
Pupil Transportation	248,654	89,223
Central	935,267	785,796
Operation of Non-Instructional Services	408,193	329,696
Extracurricular Activities	600,603	1,045,358
Interest and Fiscal Charges	<u>1,025,527</u>	<u>594,704</u>
Total Program Expenses	<u>22,395,795</u>	<u>19,352,085</u>
Change in Net Position	2,848,187	(302,774)
Net Position - Beginning of Year	<u>12,520,997</u>	<u>12,823,771</u>
Net Position - End of Year	<u><u>\$15,369,184</u></u>	<u><u>\$12,520,997</u></u>

The change in net position of \$2,848,187 indicates that the District's revenues were more than expenses in fiscal year 2024.

Governmental Activities

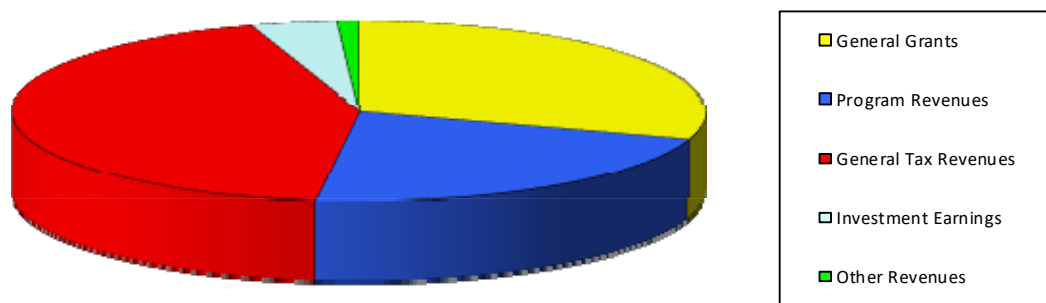
The District's revenues are mainly from two sources. Property taxes levied for general and capital project purposes and grants and entitlements comprised 73% of the District's revenues for governmental activities.

The District depends greatly on property taxes as a revenue source. The District has a 2.0 mill continuing levy. The District always collects 2.0 mills on the valuation and they do get inflationary increases.

Property taxes made up 42% of revenue for governmental activities for the District in fiscal year 2024.

Ohio Hi-Point Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

	2024	Percentage
General Grants	\$7,645,506	30%
Program Revenues	5,504,918	22%
General Tax Revenues	10,676,942	43%
Investment Earnings	1,080,871	4%
Other Revenues	335,745	1%
Total Revenue Sources	<u>\$25,243,982</u>	<u>100.0%</u>



The Statement of Activities shows the cost of program services and the charges for services and sales and grants offsetting those services. Table 3 shows, for government 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 entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Instruction	\$12,204,507	\$10,107,921	(\$8,424,978)	(\$6,941,161)
Support Services:				
Pupil and Instructional Staff	2,103,192	1,926,426	(1,419,090)	(1,414,919)
School Administration, General				
Administration, Fiscal and Business	2,366,853	2,489,974	(2,364,855)	(2,488,174)
Operations and Maintenance	2,502,999	1,982,987	(2,452,379)	(1,937,727)
Pupil Transportation	248,654	89,223	(248,654)	(89,223)
Central	935,267	785,796	(935,267)	(785,796)
Operation of Non-Instructional Services	408,193	329,696	(30,098)	(67,977)
Extracurricular Activities	600,603	594,704	9,971	40,813
Interest and Fiscal Charges	1,025,527	1,045,358	(1,025,527)	(1,045,358)
Total Expenses	<u>\$22,395,795</u>	<u>\$19,352,085</u>	<u>(\$16,890,877)</u>	<u>(\$14,729,522)</u>

Instruction comprises 54% of governmental program expenses. Support services expenses were 36% of governmental program expenses. All other expenses were 10%. Expenses increased from 2023 to 2024 mainly due to changes related to changes in instruction expenses and support services expenses.

Ohio Hi-Point Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

The District's Funds

The District has two major governmental funds: the General Fund and the Permanent Improvement Fund. Assets of these funds comprised \$31,560,288 (96%) of the total \$32,926,882 governmental funds' assets.

General Fund: Fund balance at June 30, 2024 was \$16,538,363, an increase in fund balance of \$2,078,469 from 2023. The fund balance increased from 2023 to 2024 due to an increase in intergovernmental revenues, and property and other taxes.

Permanent Improvement Fund: Fund balance at June 30, 2024 was \$4,327,184, an increase in fund balance of \$613,509 from 2023. The fund balance increased from 2023 to 2024 due to revenues and a transfer in from the general fund exceeding expenses.

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 the fiscal year, the District amended its general fund budget numerous times, however no amendments were significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District may revise the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, the final budget basis revenues were \$18,635,375 (excluding advances in), which exceeded original budgeted revenues by \$19,821 mainly due to underestimating tax and intergovernmental revenues. The final budgeted expenditures were \$19,953,247 (excluding advances and transfers out) and the original budgeted expenditures were \$18,635,958.

The District's General Fund ending unobligated cash balance was \$15,802,147, which is \$4,354,936 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2024, the District had \$40,479,794 invested in land, construction in progress, buildings and improvements, and equipment. Table 4 shows fiscal year 2024 balances compared to fiscal year 2023:

Ohio Hi-Point Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

Table 4
Capital Assets

	Governmental Activities	
	2024	2023
Land	\$629,204	\$629,204
Construction in Progress	299,119	33,720,033
Buildings and Improvements	36,808,209	4,138,632
Equipment	2,743,262	2,770,337
Total Net Capital Assets	<u>\$40,479,794</u>	<u>\$41,258,206</u>

Capital assets decreased from the prior year due to current year depreciation and disposals exceeding current year additions during fiscal 2024.

See Note 6 in the notes to the basic financial statements for further details on the District's capital assets.

Debt

At June 30, 2024, the District had \$33,879,524 in outstanding debt, \$516,048 due within one year. Table 5 summarizes loans outstanding at year end.

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2024	2023
2020 Certificate of Participation	\$32,235,000	\$32,705,000
Premium on Certificate of Participation	1,552,939	1,598,614
2023 Finance Purchase Agreement	91,585	111,411
Total Outstanding Debt	<u>\$33,879,524</u>	<u>\$34,415,025</u>

See Note 7 in the notes to the basic financial statements for further details on the District's outstanding debt.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer at Ohio Hi-Point Joint Vocational School District, 2280 State Route 540, Bellefontaine, Ohio 43311.

Ohio Hi-Point Joint Vocational School District
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$21,961,925
Restricted Cash and Investments	11,450
Receivables (Net):	
Taxes	9,936,041
Accounts	154,736
Interest	78,824
Intergovernmental	342,680
Prepaid	273
Inventory	438
Net OPEB Asset	975,746
Nondepreciable Capital Assets	928,323
Depreciable Capital Assets, Net	39,551,471
Total Assets	73,941,907
Deferred Outflows of Resources:	
Pension	2,797,663
OPEB	464,466
Total Deferred Outflows of Resources	3,262,129
Liabilities:	
Accounts Payable	333,796
Accrued Wages and Benefits	1,179,905
Contracts Payable	287,669
Retainage Payable	11,450
Accrued Interest Payable	85,002
Unearned Revenue	2,240
Long-Term Liabilities:	
Due Within One Year	700,032
Due In More Than One Year:	
Net Pension Liability	13,219,635
Net OPEB Liability	682,660
Other Amounts	34,214,315
Total Liabilities	50,716,704
Deferred Inflows of Resources:	
Property Taxes	8,266,052
Pension	1,421,545
OPEB	1,430,551
Total Deferred Inflows of Resources	11,118,148
Net Position:	
Net Investment in Capital Assets	6,760,962
Restricted for:	
Capital Projects	4,386,341
Locally Funded Programs	27,525
Food Service Operations	150,413
Student Activities	346,011
OPEB	975,746
Other Purposes	42,276
Unrestricted	2,679,910
Total Net Position	\$15,369,184

See accompanying notes to the basic financial statements.

Ohio Hi-Point Joint Vocational School District
Statement of Activities
For the Fiscal Year Ended June 30, 2024

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$1,473,278	\$2,347	\$303,169	(\$1,167,762)
Special	735,354	0	0	(735,354)
Vocational	9,444,049	0	3,134,428	(6,309,621)
Adult/Continuing	551,826	339,585	0	(212,241)
Support Services:				
Pupil	1,303,661	0	586,342	(717,319)
Instructional Staff	799,531	0	97,760	(701,771)
General Administration	45,734	0	0	(45,734)
School Administration	893,287	0	0	(893,287)
Fiscal	350,386	0	0	(350,386)
Business	1,077,446	0	1,998	(1,075,448)
Operations and Maintenance	2,502,999	50,620	0	(2,452,379)
Pupil Transportation	248,654	0	0	(248,654)
Central	935,267	0	0	(935,267)
Operation of Non-Instructional Services	408,193	224,526	153,569	(30,098)
Extracurricular Activities	600,603	610,574	0	9,971
Interest on Long-Term Debt	1,025,527	0	0	(1,025,527)
Totals	<u>\$22,395,795</u>	<u>\$1,227,652</u>	<u>\$4,277,266</u>	<u>(16,890,877)</u>

General Revenues:

Property Taxes Levied for:

General Purposes	8,487,764
Capital Projects Purposes	2,189,178
Grants and Entitlements, Not Restricted	7,645,506
Unrestricted Contributions	249,206
Investment Earnings	1,080,871
Other Revenues	<u>86,539</u>

Total General Revenues 19,739,064

Change in Net Position 2,848,187

Net Position - Beginning of Year 12,520,997

Net Position - End of Year \$15,369,184

See accompanying notes to the basic financial statements.

Ohio Hi-Point Joint Vocational School District
Balance Sheet
Governmental Funds
June 30, 2024

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$16,467,044	\$4,481,982	\$1,012,899	\$21,961,925
Restricted Cash and Investments	0	11,450	0	11,450
Receivables (Net):				
Taxes	7,575,882	2,360,159	0	9,936,041
Accounts	144,171	0	10,565	154,736
Interest	78,824	0	0	78,824
Intergovernmental	0	0	342,680	342,680
Interfund	440,515	0	0	440,515
Prepaid	261	0	12	273
Inventory	0	0	438	438
Total Assets	<u>24,706,697</u>	<u>6,853,591</u>	<u>1,366,594</u>	<u>32,926,882</u>
Liabilities:				
Accounts Payable	142,159	56,884	134,753	333,796
Accrued Wages and Benefits	1,124,139	0	55,766	1,179,905
Compensated Absences	22,032	0	0	22,032
Contracts Payable	0	286,269	1,400	287,669
Retainage Payable	0	11,450	0	11,450
Interfund Payable	0	0	440,515	440,515
Unearned Revenue	0	0	2,240	2,240
Total Liabilities	<u>1,288,330</u>	<u>354,603</u>	<u>634,674</u>	<u>2,277,607</u>
Deferred Inflows of Resources:				
Property Taxes	6,238,407	2,027,645	0	8,266,052
Grants and Other Taxes	0	0	342,680	342,680
Unavailable	641,597	144,159	0	785,756
Total Deferred Inflows of Resources	<u>6,880,004</u>	<u>2,171,804</u>	<u>342,680</u>	<u>9,394,488</u>
Fund Balances:				
Nonspendable	6,203	0	12	6,215
Restricted	0	4,327,184	731,908	5,059,092
Committed	203,055	0	0	203,055
Assigned	1,399,491	0	0	1,399,491
Unassigned	14,929,614	0	(342,680)	14,586,934
Total Fund Balances	<u>16,538,363</u>	<u>4,327,184</u>	<u>389,240</u>	<u>21,254,787</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$24,706,697</u>	<u>\$6,853,591</u>	<u>\$1,366,594</u>	<u>\$32,926,882</u>

See accompanying notes to the basic financial statements.

Ohio Hi-Point Joint Vocational School District
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
June 30, 2024

Total Governmental Fund Balance		\$21,254,787
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Amounts reported for governmental activities in the
statement of net position are different because:

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

Capital assets used in the operation of Governmental Funds		40,479,794
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Other long-term assets are not available to pay for current-
period expenditures and, therefore, are deferred in the funds.

Delinquent Property Taxes	720,041	
Intergovernmental	342,680	
Other Receivables	65,715	
	<u>1,128,436</u>	

In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(85,002)
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Some liabilities reported in the statement of net position do not
require the use of current financial resources and, therefore,
are not reported as liabilities in governmental funds.

Compensated Absences		(1,012,791)
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Deferred outflows and inflows of resources related to pensions and OPEB
are applicable to future periods and, therefore, are not
reported in the funds.

Deferred outflows of resources related to pension	2,797,663	
Deferred inflows of resources related to pension	(1,421,545)	
Deferred outflows of resources related to OPEB	464,466	
Deferred inflows of resources related to OPEB	<u>(1,430,551)</u>	
		410,033

Long-term liabilities and net OPEB assets are not available to pay for
current period expenditures and are not due and payable in the
current period and, therefore, are not reported in the funds.

Net OPEB Asset	975,746	
Net Pension Liability	(13,219,635)	
Net OPEB Liability	(682,660)	
Other Amounts	<u>(33,879,524)</u>	
		(46,806,073)

Net Position of Governmental Activities		<u>\$15,369,184</u>
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See accompanying notes to the basic financial statements.

Ohio Hi-Point Joint Vocational School District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2024

			Formerly Major Fund	Other Governmental Funds	Total Governmental Funds
	General	Permanent Improvement	Building		
Revenues:					
Property and Other Taxes	\$8,320,462	\$2,155,051	\$0	\$0	\$10,475,513
Tuition and Fees	347,643	0	0	0	347,643
Investment Earnings	1,076,582	0	0	4,289	1,080,871
Intergovernmental	10,987,321	56,026	0	637,078	11,680,425
Extracurricular Activities	0	0	0	610,574	610,574
Charges for Services	0	0	0	224,526	224,526
Other Revenues	352,240	0	0	34,125	386,365
Total Revenues	21,084,248	2,211,077	0	1,510,592	24,805,917
Expenditures:					
Current:					
Instruction:					
Regular	1,431,408	0	0	99,490	1,530,898
Special	764,280	0	0	0	764,280
Vocational	7,671,996	172,299	0	273,446	8,117,741
Adult/Continuing	367,411	0	0	0	367,411
Support Services:					
Pupil	1,008,587	0	0	339,104	1,347,691
Instructional Staff	911,079	0	0	0	911,079
General Administration	47,884	0	0	0	47,884
School Administration	1,068,287	0	0	0	1,068,287
Fiscal	374,833	0	0	0	374,833
Business	907,658	53,301	0	80,858	1,041,817
Operations and Maintenance	2,170,572	311,010	0	0	2,481,582
Pupil Transportation	60,781	82,867	0	0	143,648
Central	805,916	19,649	0	0	825,565
Operation of Non-Instructional Services	8,131	0	0	379,278	387,409
Extracurricular Activities	0	0	0	600,603	600,603
Capital Outlay	270,985	531,492	0	440,494	1,242,971
Debt Service:		0	0		
Principal Retirement	19,826	470,000	0	0	489,826
Interest and Fiscal Charges	6,145	1,066,950	0	0	1,073,095
Total Expenditures	17,895,779	2,707,568	0	2,213,273	22,816,620
Excess of Revenues Over (Under) Expenditures	3,188,469	(496,491)	0	(702,681)	1,989,297
Other Financing Sources (Uses):					
Transfers In	0	1,110,000	0	0	1,110,000
Transfers (Out)	(1,110,000)	0	0	0	(1,110,000)
Total Other Financing Sources (Uses)	(1,110,000)	1,110,000	0	0	0
Net Change in Fund Balance	2,078,469	613,509	0	(702,681)	1,989,297
Fund Balance - Beginning of Year, as previously presented	14,459,894	3,713,675	599,786	492,135	19,265,490
Change Within Financial Reporting Entity (Major to Nonmajor Fund)	0	0	(599,786)	599,786	0
Fund Balance - Beginning of Year, as adjusted or restated	14,459,894	3,713,675	0	1,091,921	19,265,490
Fund Balance - End of Year	\$16,538,363	\$4,327,184	\$0	\$389,240	\$21,254,787

See accompanying notes to the basic financial statements.

Ohio Hi-Point Joint Vocational School District
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Net Change in Fund Balance - Total Governmental Funds		\$1,989,297
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.		
Capital assets used in governmental activities	1,239,089	
Depreciation Expense	(624,834)	
		614,255
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss.		(1,392,667)
Governmental funds report district pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employer contributions is reported as pension and OPEB expense.		
District pension contributions	1,249,951	
Pension Expense	(895,492)	
District OPEB contributions	16,297	
OPEB Expense	126,925	
		497,681
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent Property Taxes	201,430	
Intergovernmental	242,346	
Other	(5,711)	
		438,065
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		489,826
In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due.		1,893
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences	164,162	
Amortization of Certificate of Participation Premium	45,675	
		209,837
Change in Net Position of Governmental Activities		\$2,848,187
See accompanying notes to the basic financial statements.		

Ohio Hi-Point Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1 - Description of the District

Ohio Hi-Point Joint Vocational School District (the District) is a district of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating districts' elected boards, which possesses its own budgeting and taxing authority. The District exposes students to job training leading to employment upon graduation from high school. Ohio Hi-Point Joint Vocational School District includes fourteen member schools throughout Logan, Hardin, Champaign, Union and Auglaize counties. There are three representatives from two educational service centers that serve on the board.

The District was established on January 27, 1970. It is staffed by approximately 30 non-certified employees and approximately 100 certified full-time teaching personnel who provide services to more than 4,000 high school and middle school students.

Reporting Entity

A reporting entity is comprised of the stand-alone government, component units and other organizations that are included to ensure that the financial statements are not misleading. The stand-alone government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Ohio Hi-Point Joint Vocational School District, this includes general operations, food service, adult education 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; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or 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 currently has no component units.

The District is associated with one jointly governed organization and two insurance purchasing pools. These organizations are:

Jointly Governed Organization:

Western Ohio Computer Organization

Insurance Purchasing Pools:

Logan County School Employee Consortium

Northern Buckeye Education Council Workers' Compensation Group Rating Plan

These organizations and the District's participation are discussed in Notes 12 and 13 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

Ohio Hi-Point Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Measurement Focus

Government-wide Financial Statements

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.

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

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

Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are considered governmental.

Governmental Funds

Governmental funds focus 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:

Ohio Hi-Point Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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 for any purpose provided it is expended or transferred according to the general laws of Ohio.

Permanent Improvement Fund – The permanent improvement fund is used to account for all transactions related to acquiring, constructing, or improving of such permanent improvements.

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the 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 year end: property taxes available for advance, grants and interest.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources related to pension and OPEB are reported on the governmental-wide statement of net position. For more pension and OPEB related information, see Notes 8 and 9.

Ohio Hi-Point Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, grants and other taxes, unavailable revenue, OPEB, and pension. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance year 2025 operations. Property taxes have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants and other taxes, and unavailable revenue have been recorded as deferred inflows on the governmental-fund financial statements. Deferred inflows related to pension and OPEB are reported on the government-wide statement of net position. For more pension and OPEB related information, see Notes 8 and 9.

Expenses/Expenditures

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, debt service expenditures, as well as any expenditures related to compensated absences, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Equity in Pooled Cash and Investments

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements.

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 deposits are reported at cost.

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 advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2024 amounted to \$1,076,582 and \$4,289 in the other governmental funds.

Ohio Hi-Point Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and expenditure/expense is reported in the year in which the services are consumed.

Inventory

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

Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five thousand dollars (\$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 are depreciated, except land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is allocated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Building and Improvements	10 - 50 years
Equipment	5 - 20 years

Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time, when earned, for all employees with more than one year of service.

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

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

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators

Ohio Hi-Point Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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. Employees may accumulate up to 235 sick days.

Each employee upon retirement with a minimum of five (5) years Ohio Hi Point Vocational School employment shall receive severance payment, based upon the employee's rate of pay at retirement, equal to 27.5%, 30% or 33%, depending on service of the employee's accumulated, but unused sick leave at retirement up to a maximum accrual of 220 days or a maximum of 72.6 days severance payment.

For governmental fund financial statements, the expenditures for unpaid compensated absences are recognized when due. The related liability is recorded in the account "compensated absences" in the fund from which the employees who have accumulated unpaid leave are paid.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability(asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Net Position

Net position represent 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. 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.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the District's \$5,928,312 in restricted net position, none were restricted by enabling legislation.

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. Repayments from funds responsible for particular expenditures/expenses 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 Receivables" and "Interfund Payables." These amounts are eliminated in the governmental activities column of the statement of net position.

Ohio Hi-Point Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

As a general rule, the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

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 following categories are used:

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the Board of Education.

Assigned – resources that are intended to be used for specific purposes as approved through the District's formal purchasing procedure by the Treasurer.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts, which had been restricted, committed or assigned for said purposes.

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.

Estimates

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

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that once incurred are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension and OPEB contributions that will be paid from governmental funds are reported as a liability in the fund financial

Ohio Hi-Point Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

statements only to the extent that they are due for payment during the current year. Long-term loans 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 payments of those benefits.

Note 3 - Equity in Pooled Cash and Investments

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the Statement of Net Position and combined balance sheet as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the District into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand.

Inactive Monies – Those monies not required for use within the current two-five year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States.
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met.
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.

Ohio Hi-Point Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
7. The State Treasurer's investment pool (STAR Ohio).
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 District's 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2024, \$890,428 of the District's bank balance of \$1,616,828 was exposed to custodial credit risk because it was uninsured and collateralized.

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

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

Ohio Hi-Point Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Investments

As of June 30, 2024, the District had the following investments:

	Fair Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Negotiable CDs	\$10,406,841	Level 2	2.66
U.S. Treasury Notes	920,135	Level 2	2.35
Federal Home Loan Bank	938,020	Level 2	1.77
Federal Farm Credit Bank	773,054	Level 2	2.48
Star Ohio	7,262,923	N/A	0.13
Money Market Funds	490,634	N/A	0.00
Total Fair Value	<u>\$20,791,607</u>		
Portfolio Weighted Average Maturity			1.65

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. The above table identifies the District's recurring fair value measurements as of June 30, 2024. STAR Ohio is reported at its share price (Net Asset value per share).

Interest Rate Risk - In accordance with the investment policy, the District manages its exposure to declines in fair values by limiting the maturity of its individual investments to five years.

Credit Risk – It is the District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments, which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. The District's investments in Federal Home Loan Bank, Federal Farm Credit Bank, and U.S. Treasury Notes were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. Investments in STAR Ohio were rated AAAM by Standard & Poor's. Money Market Funds and Negotiable CDs were not rated.

Concentration of Credit Risk – The District's investment policy allows investments in Federal Agencies or Instrumentalities. The District has invested a total of 4% in U.S. Treasury Notes, 5% in Federal Home Loan Bank, 4% in Federal Farm Credit Bank, 35% in STAR Ohio, 50% in Negotiable CD's, and 2% in Money Market Funds.

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. All of the District's securities are registered in the name of the District. The District does not have a policy for custodial credit risk.

Note 4 - Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real and public utility property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on real property at 35 percent of true value.

Ohio Hi-Point Joint Vocational School District
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Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. The District receives property taxes from the 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, 2024, are available to finance fiscal year 2024 operations. The amount available for advance can vary based on the date the tax bills are sent.

On a full-accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes, which became measurable at June 30, 2024. The entire amount of delinquent taxes receivable is recognized as a revenue on the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations.

The receivable is, therefore, offset by a credit to deferred inflow of resources for that portion not intended to finance current year operations. The District receives taxes from Logan, Hardin, Champaign, Union, Madison, Allen, Shelby, Wyandot and Auglaize counties.

The assessed value, by property classification, upon which taxes collected in 2024 were based as follows:

	Amount
Public Utility	\$303,073,810
Real Estate	4,464,022,850
Total	<u>\$4,767,096,660</u>

Note 5 – Receivables

Receivables at June 30, 2024, consisted of taxes, accounts, intergovernmental grants, interfund and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
Other Governmental Funds:	
Miscellaneous State Grants	\$269,542
Vocational Education	73,138
Total	<u>\$342,680</u>

Ohio Hi-Point Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 6 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$629,204	\$0	\$0	\$629,204
Construction in Progress	33,720,033	756,409	34,177,323	299,119
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	11,893,194	34,177,323	6,551,028	39,519,489
Equipment	5,904,087	482,680	487,560	5,899,207
Totals at Historical Cost	<u>52,146,518</u>	<u>35,416,412</u>	<u>41,215,911</u>	<u>46,347,019</u>
Less Accumulated Depreciation:				
Buildings and Improvements	7,754,562	163,962	5,207,244	2,711,280
Equipment	<u>3,133,750</u>	<u>460,872</u>	<u>438,677</u>	<u>3,155,945</u>
Total Accumulated Depreciation	<u>10,888,312</u>	<u>624,834</u>	<u>5,645,921</u>	<u>5,867,225</u>
Governmental Activities Capital Assets, Net	<u>\$41,258,206</u>	<u>\$34,791,578</u>	<u>(\$35,569,990)</u>	<u>\$40,479,794</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational	\$450,892
Adult/Continuing	58,716
Support Services:	
Pupil	919
Instructional Staff	341
School Administration	528
Fiscal	1,352
Business	12,562
Operations and Maintenance	11,082
Pupil Transportation	32,722
Central	46,780
Operation of Non-Instructional Services	<u>8,940</u>
Total Depreciation Expense	<u>\$624,834</u>

Ohio Hi-Point Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 7 - Long-Term Liabilities

The change in the District's long-term obligations during the year consist of the following:

	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
Governmental Activities:					
2020 Certificate of Participation	\$32,705,000	\$0	\$470,000	\$32,235,000	\$495,000
Premium on Certificate of Participation	1,598,614	0	45,675	1,552,939	0
Subtotal Certificate of Participation	34,303,614	0	515,675	33,787,939	495,000
2023 Finance Purchase Agreement	111,411	0	19,826	91,585	21,048
Compensated Absences	1,260,169	39,331	264,677	1,034,823	183,984
Subtotal Certificate of Participation and Other Amounts	35,675,194	39,331	800,178	34,914,347	700,032
Net Pension Liability	13,369,575	0	149,940	13,219,635	0
Net OPEB Liability	594,155	88,505	0	682,660	0
Total Long-Term Obligations	<u>\$49,638,924</u>	<u>\$127,836</u>	<u>\$950,118</u>	<u>\$48,816,642</u>	<u>\$700,032</u>

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from their service.

Fiscal Year Ending June 30	Certificate of Participation			Finance Purchase Agreement		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$495,000	\$1,042,825	\$1,537,825	\$21,048	\$4,923	\$25,971
2026	520,000	1,020,050	1,540,050	70,537	2,277	72,814
2027	540,000	998,850	1,538,850	0	0	0
2028	565,000	976,750	1,541,750	0	0	0
2029	585,000	953,750	1,538,750	0	0	0
2030-2034	3,305,000	4,390,150	7,695,150	0	0	0
2035-2039	4,005,000	3,677,775	7,682,775	0	0	0
2040-2044	4,695,000	2,989,125	7,684,125	0	0	0
2045-2049	5,440,000	2,230,500	7,670,500	0	0	0
2050-2054	6,310,000	1,350,450	7,660,450	0	0	0
2055-2058	5,775,000	353,175	6,128,175	0	0	0
Total	<u>\$32,235,000</u>	<u>\$19,983,400</u>	<u>\$52,218,400</u>	<u>\$91,585</u>	<u>\$7,200</u>	<u>\$98,785</u>

2020 Certificate of Participation (COPs) – On August 29, 2019 the District issued \$34,000,000 in COPs for the purpose to acquire, construct, improve, furnish, and equip the building project. The COPs will mature on December 1, 2057 with interest rates from 3% to 5%. The debt will be paid from the Permanent Improvement Fund.

On January 30, 2023, the District issued \$121,500 in a municipal finance purchase agreement. The funds will be used to finance a case crawler dozer. The first payment on the finance purchase agreement was due on January 30, 2023. The finance purchase agreement is to be repaid from the General Fund and is scheduled to mature on February 1, 2026.

Ohio Hi-Point Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 8 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

The remainder of this note includes the required pension disclosures. See Note 9 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description

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

Ohio Hi-Point Joint Vocational School District
Notes to the Basic Financial Statements
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Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$241,758 for fiscal year 2024. Of this amount \$0 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

Plan Description

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

Ohio Hi-Point Joint Vocational School District
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New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. 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 34 years of service credit at any age.

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

The DC Plan allows members to place all their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

Ohio Hi-Point Joint Vocational School District
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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.

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 2024 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2024, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$1,008,193 for fiscal year 2024. Of this amount \$220,098 is reported as accrued wages and benefits.

Net 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, 2023, 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>
Proportionate Share of the Net Pension Liability	\$2,415,462	\$10,804,173	\$13,219,635
Proportion of the Net Pension Liability:			
Current Measurement Date	0.04371470%	0.05017044%	
Prior Measurement Date	<u>0.04348200%</u>	<u>0.04956216%</u>	
Change in Proportionate Share	0.00023270%	0.00060828%	
Pension Expense	\$238,724	\$656,768	\$895,492

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At June 30 2024, reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$103,822	\$393,897	\$497,719
Changes of assumptions	17,110	889,782	906,892
Changes in employer proportionate share of net pension liability	42,860	100,241	143,101
Contributions subsequent to the measurement date	241,758	1,008,193	1,249,951
Total Deferred Outflows of Resources	<u>\$405,550</u>	<u>\$2,392,113</u>	<u>\$2,797,663</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$23,976	\$23,976
Changes of assumptions	0	669,750	669,750
Net difference between projected and actual earnings on pension plan investments	33,951	32,380	66,331
Changes in employer proportionate share of net pension liability	0	661,488	661,488
Total Deferred Inflows of Resources	<u>\$33,951</u>	<u>\$1,387,594</u>	<u>\$1,421,545</u>

\$1,249,951 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	\$56,332	(\$420,078)	(\$363,746)
2026	(87,324)	(648,928)	(736,252)
2027	159,033	1,098,212	1,257,245
2028	1,800	(32,880)	(31,080)
Total	<u>\$129,841</u>	<u>(\$3,674)</u>	<u>\$126,167</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

Ohio Hi-Point Joint Vocational School District
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incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2023 and compared with June 30, 2022, are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.40%	2.40%
Future Salary Increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
COLA or Ad Hoc COLA	2.00%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2.00%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00% net of system expenses	7.00% net of system expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Discount Rate of Return	7.00%	7.00%

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

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2023:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	0.75%
US Equity	24.75%	4.82%
Non-US Equity Developed	13.50%	5.19%
Non-US Equity Emerging	6.75%	5.98%
Fixed Income/Global Bonds	19.00%	2.24%
Private Equity	12.00%	7.49%
Real Estate/Real Assets	17.00%	3.70%
Private Debt/Private Credit	5.00%	5.64%
Total	100.00%	

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Discount Rate

The total pension liability for 2023 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2023 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$3,565,099	\$2,415,462	\$1,447,112

Changes Between the Measurement Date and the Report Date

Governor DeWine signed HB33 in July 2023 authorizing SERS to implement a Contribution Based Benefit Cap beginning August 1, 2024. Any effect on the net pension liability is unknown.

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2023, actuarial valuation compared to those used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.50%	2.50%
Projected Salary Increases	From 2.50% to 8.50% based on service	From 2.50% to 8.50% based on age
Investment Rate of Return	7.00% net of investments expense, including inflation	7.00% net of investments expense, 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%

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

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retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

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

* Final target weights reflected 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' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

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	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$16,614,427	\$10,804,173	\$5,890,288

Changes Between the Measurement Date and the Report Date

In March 2024, the STRS Board made the eligibility rule requiring 34 years of service for an unreduced retirement permanent, effective June 1, 2024. Eligibility for a reduced retirement benefit has been lowered from 30 to 29 years of service. The effect of these changes on the net pension liability is currently unknown.

Note 9- Defined Benefit OPEB Plans

See Note 8 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description

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

The Health Care program is financed through a combination of employer contributions, recipient premiums, investment returns, and any funds received on behalf of SERS' participation in Medicare programs. The System's goal is to maintain a health care reserve account with a 20-year solvency period in order to ensure that fluctuations in the cost of health care do not cause an interruption in the program. However, during any period in which the 20-year solvency period is not achieved, the System shall manage the Health Care Fund on a pay-as-you-go basis.

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

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Funding Policy

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the District's surcharge obligation was \$16,297.

The surcharge, added to the allocated portion of the 14.00% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$16,297 for fiscal year 2024, which is reported in accrued wages and benefits.

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. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy

Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2024, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liabilities (Assets), OPEB Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

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	SERS	STRS	Total
Proportionate Share of the Net OPEB Liability	\$682,660	\$0	\$682,660
Proportionate Share of the Net OPEB (Asset)	0	(975,746)	(975,746)
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.04143750%	0.05017044%	
Prior Measurement Date	0.04231840%	0.04956216%	
Change in Proportionate Share	-0.00088090%	0.00060828%	
OPEB Expense	(\$116,143)	(\$10,782)	(\$126,925)

At June 30 2024, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$1,423	\$1,521	\$2,944
Changes of assumptions	230,827	143,741	374,568
Net difference between projected and actual earnings on OPEB plan investments	5,291	1,741	7,032
Changes in employer proportionate share of net OPEB liability	43,398	20,227	63,625
Contributions subsequent to the measurement date	16,297	0	16,297
Total Deferred Outflows of Resources	<u>\$297,236</u>	<u>\$167,230</u>	<u>\$464,466</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$352,073	\$148,827	\$500,900
Changes of assumptions	193,882	643,783	837,665
Changes in employer proportionate share of net OPEB liability	87,621	4,365	91,986
Total Deferred Inflows of Resources	<u>\$633,576</u>	<u>\$796,975</u>	<u>\$1,430,551</u>

\$16,297 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2025. 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
2025	(\$130,179)	(\$271,933)	(\$402,112)
2026	(108,861)	(128,944)	(237,805)
2027	(61,718)	(50,446)	(112,164)
2028	(32,277)	(68,136)	(100,413)
2029	(18,475)	(62,228)	(80,703)
Thereafter	(1,127)	(48,058)	(49,185)
Total	<u>(\$352,637)</u>	<u>(\$629,745)</u>	<u>(\$982,382)</u>

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Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2023, compared with June 30, 2022, are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.40%	2.40%
Future Salary Increases, Including Inflation	3.25% to 13.58%	3.25% to 13.58%
Investment Rate of Return	7.00% net of investment expense	7.00% net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2048	2044
Municipal Bond Index Rate:		
Measurement Date	3.86%	3.69%
Prior Measurement Date	3.69%	1.92%
Single Equivalent Interest Rate (SEIR), net of plan investment expense, including price inflation:		
Measurement Date	4.27%	4.08%
Prior Measurement Date	4.08%	2.27%
Health Care Cost Trend Rate	6.75% to 4.40%	7.00% to 4.40%

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

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adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board on April 15, 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 (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. 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 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. As of June 30, 2023:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00%	0.75%
US Equity	24.75%	4.82%
Non-US Equity Developed	13.50%	5.19%
Non-US Equity Emerging	6.75%	5.98%
Fixed Income/Global Bonds	19.00%	2.24%
Private Equity	12.00%	7.49%
Real Estate/Real Assets	17.00%	3.70%
Private Debt/Private Credit	5.00%	5.64%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2023, was 4.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2023, was 4.08 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2048 by SERS'actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2022, and the June 30, 2023, 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 was 3.86 percent at June 30, 2023, and 3.69 percent at June 30, 2022.

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Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates

The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
Proportionate share of the net OPEB liability	\$872,635	\$682,660	\$532,857
	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
Proportionate share of the net OPEB liability	\$501,527	\$682,660	\$922,686

Changes Between Measurement Date and Reporting Date

In September 2023, the SERS Board changed minimum compensation to \$30,000 from \$25,000 for purposes of the surcharge. Any effect on the net OPEB liability is unknown.

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2023, actuarial valuation compared to the prior year are presented below:

	June 30, 2023	June 30, 2022
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
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%
Discount Rate of Return	7.00%	7.00%
Health Care Cost Trends:		
Medical		
Pre-Medicare	7.50% initial, 4.14% ultimate	7.50% initial, 3.94% ultimate
Medicare	-10.94% initial, 4.14% ultimate	-68.78% initial, 3.94% ultimate
Prescription Drug		
Pre-Medicare	-11.95% initial, 4.14% ultimate	9.00% initial, 3.94% ultimate
Medicare	1.33% initial, 4.14% ultimate	-5.47% initial, 3.94% ultimate

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

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

Actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

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

* Final target weights reflected at 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' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023.

Sensitivity of the 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, 2023, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

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	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net OPEB (asset)	(\$825,841)	(\$975,746)	(\$1,106,297)
	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB (asset)	(\$1,112,355)	(\$975,746)	(\$811,202)

Changes Between the Measurement Date and the Reporting date

In March, 2024, the STRS Board made changes to the eligibility for the maximum health care premium subsidy, going into effect initially with the January 2025 benefit. In May, 2024, the Board aligned the eligibility for the health care premium subsidy with the changes to pension eligibility made in March 2024. The effect on the net OPEB liability (asset) is unknown at this time.

Note 10 - Contingent Liabilities

School Foundation

District foundation funding was based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, DEW has finalized the impact of enrollment adjustments to the June 30, 2024, Foundation funding for the District. This resulted in a foundation receivable of \$10,984 from DEW. This amount is not included on the financial statements.

Grants

The District receives significant financial assistance from federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreement 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, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of June 30, 2024.

Litigation

The District is a defendant in a lawsuit. Although management cannot presently determine the outcome of the suit, they believe the resolution of the matter will not materially adversely affect the District's financial condition.

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Note 11 - Risk Management

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District's vehicles are covered under a business policy with the Cincinnati Insurance Company, which carries a \$2,500 deductible and a \$1,000,000 limit on any accident. Settled claims have not exceeded this commercial coverage in any of the past five years.

The District is exposed to various risks of loss related to torts, theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the current fiscal year, the District contracted with the Ohio School Plan for general liability insurance with a \$9,000,000 single occurrence and a \$11,000,000 aggregate. Building and business personal property is protected by the Cincinnati Insurance Company and has a \$5,000 deductible. The District insures electronic data processing equipment in the amount of \$500,000 and electronic data processing media in the amount of \$650,000. The District's deductible for electronic data processing is \$1,000.

Settled claims have not exceeded this commercial coverage in any of the past six years.

Workers' Compensation

For fiscal year 2024, the District participated in the Northern Buckeye Education Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 13). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley Uniservice provides administrative, cost control and actuarial services to the GRP.

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

Note 12 - Jointly Governed Organization

Western Ohio Computer Organization (WOCO) - The District is a participant in the Western Ohio Computer Organization (WOCO). WOCO is an association of public school districts within the boundaries of Hardin, Auglaize, Shelby, Logan, Miami and Champaign Counties. The 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 school districts. Financial information can be obtained from the Director, at 129 East Court Street, 4th Floor, Sidney, Ohio 45365.

Each of the governments of these districts supports WOCO based upon a per pupil charge dependent on the software package utilized. In accordance with GASB Statement No. 14 and 61, the District does not have an equity interest in WOCO, as the residual interest in net resources of the joint venture upon dissolution is not equivalent to an equity interest. WOCO is governed by a board of directors consisting of

Ohio Hi-Point Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

the superintendents of the member school districts and the degree of control is limited to the representation on the board.

Note 13 – Insurance Purchasing Pools

Northern Buckeye Education Council Workers’ Compensation Group Rating Plan – The District participates in a group rating plan for workers’ compensation as established under Section 4123.29 of the Ohio Revised Code. The Northern Buckeye Education Council Workers’ Compensation Group Rating Plan (the “Plan”) was established through the Northern Buckeye Education Council (NBEC) as an insurance purchasing pool. The Plan is governed by the Northern Buckeye Education Council and the participants of the Plan. The Executive Director of the NBEC coordinates the management and administration of the Plan. Each year, the participants pay an enrollment fee to the Plan to cover the costs of administering the program. The firm of Sheakley Uniservice provides administrative, cost control and actuarial services to the GRP.

Logan County School Employee Consortium – The District participates in the Logan County School Employee Consortium; a public entity shared risk pool consisting of three local school districts, one joint vocational school district and the Midwest Regional Educational Service Center. The District pays monthly premiums to the Plan for employee medical benefits. The Plan is responsible for the payment of all Plan liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal. As of January 1, 2014, this plan became self insured. On January 1, 2015, the Logan County School Employee Consortium formed a regional council of governments (the “COG”) for the purpose of providing benefits through a self-funded insurance pool. The COG collects premiums from the Logan County School Employee Consortium participants and pays a third-party administrator to process the claims. Financial information can be obtained by contacting the Recording Secretary, Logan County School Employee Consortium, 4740 County Road 26, Bellefontaine, Ohio 43311.

Note 14 – Accountability

The following individual funds had a deficit fund balance at year end:

<u>Fund</u>	<u>Amount</u>
Other Governmental Funds:	
Vocational Education	\$73,138
Miscellaneous State Grants	269,542

The deficit in fund balances can be due to accruals in GAAP. The General Fund is liable for any deficit in these funds and will provide operating transfers when cash is required not when accruals occur.

Note 15 - Statutory Reserves

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. The District utilizes the House Bill 412 calculation for the Capital Improvements set-aside. Amounts not spent by year-end or offset by similar 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.

Ohio Hi-Point Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2023	\$0
Current Year Set Aside Requirements	225,232
Qualified Disbursements	(1,200,368)
Current Year Offsets	0
Set Aside Reserve Balance as of June 30, 2024	<u>(975,136)</u>
Set Aside Balance Carried Forward to Future Years	<u>\$0</u>

Note 16 - Interfund and Transfer Transactions

Interfund transactions at June 30, 2024, consisted of the following interfund fund receivables and payables, and transfers in and out:

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$440,515	\$0	\$0	\$1,110,000
Permanent Improvement	0	0	1,110,000	0
Other Governmental Funds	0	440,515	0	0
Total All Funds	<u>\$440,515</u>	<u>\$440,515</u>	<u>\$1,110,000</u>	<u>\$1,110,000</u>

Interfund balances are used to 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 unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

Note 17 – Fund Balances

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

Ohio Hi-Point Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Fund Balances	General	Permanent Improvement	Other Governmental Funds	Total
Nonspendable:				
Prepays	\$261	\$0	\$12	\$273
Unclaimed Monies	5,942	0	0	5,942
Total Nonspendable	6,203	0	12	6,215
Restricted for:				
Other Grants	0	0	27,525	27,525
Food Service	0	0	156,804	156,804
School Managed Activity	0	0	346,011	346,011
Special Trust	0	0	42,276	42,276
Permanent Improvement	0	4,327,184	0	4,327,184
Building	0	0	159,292	159,292
Total Restricted	0	4,327,184	731,908	5,059,092
Committed to:				
Termination Benefits	203,055	0	0	203,055
Total Committed	203,055	0	0	203,055
Assigned to:				
Public Schools	20,824	0	0	20,824
Budgetary Resource	956,802	0	0	956,802
Encumbrances	421,865	0	0	421,865
Total Assigned	1,399,491	0	0	1,399,491
Unassigned (Deficit)	14,929,614	0	(342,680)	14,586,934
Total Fund Balance	\$16,538,363	\$4,327,184	\$389,240	\$21,254,787

Note 18 – Tax Abatements Entered Into by Other Governments

Other governments entered into property tax abatement agreements with property owners under the Enterprise Zone (“EZ”) program with the taxing districts of the District. The EZ program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing districts of the District, Union County, Hardin County, Champaign County and Logan County has entered into such an agreement. Under this agreement (using the latest information available) the District’s property taxes were reduced by approximately \$31,664, \$7,960, \$58,116 and \$38,405 respectively. The District is not receiving any amounts from this other government in association with the forgone property tax revenue.

Note 19 – Implementation of New Accounting Principles

New Accounting Principles

For fiscal year 2024, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections; and portions of GASB Statement No. 99, Omnibus 2022.

Ohio Hi-Point Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The financial statements reflect the movement of the Building Fund to an Other Governmental Fund from a major fund as previously reported on the financial statements.

GASB Statement No. 99 addresses a variety of topics and includes clarification of provisions related to accounting and reporting of leases under GASB Statement No. 87, provides extension of the period which the London Interbank Offered Rate is considered appropriate benchmark interest rate, guidance on disclosure of nonmonetary transaction, accounting for pledges of future revenues when resources are not received by the pledging government under GASB Statement No. 48, and terminology updates related to certain provisions of GASB Statement No. 63 and No. 53. These topics under GASB Statement No. 99 provisions were implemented in a prior year.

Other topics in GASB Statement No. 99 includes classification of other derivative instruments within the scope of GASB Statement No. 53, clarification of provisions related to accounting and reporting of Public-Private and Public-Public Partnerships under GASB Statement No. 94, and clarification of provisions to accounting and reporting of subscription-based information technology arrangements under GASB Statement No. 96. These topics under GASB Statement No. 99 provisions were implemented and did not have an effect on the financial statements of the District.

Note 20 – Subsequent Events

In July 2024, the District approved a contract with Grand Lake Building Co., LLC, for the Parking Lot Expansion and Pavement Improvements Project, in the amount of \$363,174.

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REQUIRED SUPPLEMENTARY INFORMATION

Ohio Hi-Point Joint Vocational School District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Ten Fiscal Years (1)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.04371470%	\$2,415,462	\$1,740,729	138.76%	76.06%
2023	0.04348200%	2,351,845	1,617,857	145.37%	75.82%
2022	0.04163880%	1,536,351	1,437,264	106.89%	82.86%
2021	0.04364590%	2,886,832	1,530,129	188.67%	68.55%
2020	0.04582380%	2,741,718	1,572,015	174.41%	70.85%
2019	0.04793390%	2,745,263	1,559,644	176.02%	71.36%
2018	0.04819700%	2,879,664	1,598,914	180.10%	69.50%
2017	0.04871000%	3,565,123	1,464,357	243.46%	62.98%
2016	0.04649530%	2,653,067	1,440,190	184.22%	69.16%
2015	0.04896900%	2,478,293	1,437,316	172.43%	71.70%

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

See accompanying notes to the required supplementary information.

Ohio Hi-Point Joint Vocational School District
Required Supplementary Information
Schedule of the District's Contributions for Net Pension Liability
School Employees Retirement System of Ohio
Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2024	\$241,758	(\$241,758)	\$0	\$1,726,843	14.00%
2023	243,702	(243,702)	0	1,740,729	14.00%
2022	226,500	(226,500)	0	1,617,857	14.00%
2021	201,217	(201,217)	0	1,437,264	14.00%
2020	214,218	(214,218)	0	1,530,129	14.00%
2019	212,222	(212,222)	0	1,572,015	13.50%
2018	210,552	(210,552)	0	1,559,644	13.50%
2017	223,848	(223,848)	0	1,598,914	14.00%
2016	205,010	(205,010)	0	1,464,357	14.00%
2015	189,817	(189,817)	0	1,440,190	13.18%

See accompanying notes to the required supplementary information.

Ohio Hi-Point Joint Vocational School District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Ten Fiscal Years (1)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.05017044%	\$10,804,173	\$6,831,436	158.15%	80.02%
2023	0.04956216%	11,017,730	7,388,343	149.12%	78.88%
2022	0.05389425%	6,890,865	7,597,971	90.69%	87.78%
2021	0.05607421%	13,567,963	7,715,079	175.86%	75.48%
2020	0.05703056%	12,611,966	6,682,607	188.73%	77.40%
2019	0.05404620%	11,883,546	6,124,771	194.02%	77.30%
2018	0.05209577%	12,375,462	5,410,671	228.72%	75.30%
2017	0.04873702%	16,313,749	5,153,236	316.57%	66.80%
2016	0.04773516%	13,192,602	5,007,507	263.46%	72.10%
2015	0.04568183%	11,111,402	5,026,454	221.06%	74.70%

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

See accompanying notes to the required supplementary information.

Ohio Hi-Point Joint Vocational School District
Required Supplementary Information
Schedule of the District's Contributions for Net Pension Liability
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2024	\$1,008,193	(\$1,008,193)	\$0	\$7,201,379	14.00%
2023	956,401	(956,401)	0	6,831,436	14.00%
2022	1,034,368	(1,034,368)	0	7,388,343	14.00%
2021	1,063,716	(1,063,716)	0	7,597,971	14.00%
2020	1,080,111	(1,080,111)	0	7,715,079	14.00%
2019	935,565	(935,565)	0	6,682,607	14.00%
2018	857,468	(857,468)	0	6,124,771	14.00%
2017	757,494	(757,494)	0	5,410,671	14.00%
2016	721,453	(721,453)	0	5,153,236	14.00%
2015	701,051	(701,051)	0	5,007,507	14.00%

See accompanying notes to the required supplementary information.

Ohio Hi-Point Joint Vocational School District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
Last Eight Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	0.04143750%	\$682,660	\$1,740,729	39.22%	30.02%
2023	0.04231840%	594,155	1,617,857	36.72%	30.34%
2022	0.04027290%	762,198	1,437,264	53.03%	24.08%
2021	0.04167970%	905,836	1,530,129	59.20%	18.17%
2020	0.04381750%	1,101,918	1,572,015	70.10%	15.57%
2019	0.04667000%	1,294,752	1,559,644	83.02%	13.57%
2018	0.04702470%	1,262,019	1,598,914	78.93%	12.46%
2017	0.04680140%	1,334,021	1,464,357	91.10%	11.49%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

Ohio Hi-Point Joint Vocational School District
Required Supplementary Information
Schedule of the District's Contributions for Net OPEB Liability
School Employees Retirement System of Ohio
Last Nine Fiscal Years (1) (2)

Year	District's Contractually Required Contribution (2)	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2024	\$16,297	(\$16,297)	\$0	\$1,726,843	0.94%
2023	11,166	(11,166)	0	1,740,729	0.64%
2022	16,679	(16,679)	0	1,617,857	1.03%
2021	13,580	(13,580)	0	1,437,264	0.94%
2020	9,694	(9,694)	0	1,530,129	0.63%
2019	19,876	(19,876)	0	1,572,015	1.26%
2018	24,311	(24,311)	0	1,559,644	1.56%
2017	16,915	(16,915)	0	1,598,914	1.06%
2016	12,695	(12,695)	0	1,464,357	0.87%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

(2) Includes surcharge.

See accompanying notes to the required supplementary information.

Ohio Hi-Point Joint Vocational School District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB (Asset)/Liability
State Teachers Retirement System of Ohio
Last Eight Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB (Asset)/Liability	District's Proportionate Share of the Net OPEB (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset)/Liability
2024	0.05017044%	(\$975,746)	\$6,831,436	(14.28%)	168.52%
2023	0.04956216%	(1,283,329)	7,388,343	(17.37%)	230.73%
2022	0.05389425%	(1,136,316)	7,597,971	(14.96%)	174.73%
2021	0.05607421%	(985,504)	7,715,079	(12.77%)	182.13%
2020	0.05703056%	(944,563)	6,682,607	(14.13%)	174.74%
2019	0.05404620%	(868,467)	6,124,771	(14.18%)	176.00%
2018	0.05209577%	2,032,585	5,410,671	37.57%	47.10%
2017	0.04873702%	2,606,469	5,153,236	50.58%	37.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

Ohio Hi-Point Joint Vocational School District
Required Supplementary Information
Schedule of the District's Contributions for Net OPEB (Asset)/Liability
State Teachers Retirement System of Ohio
Last Nine Fiscal Years (1)

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2024	\$0	\$0	\$0	\$7,201,379	0.00%
2023	0	0	0	6,831,436	0.00%
2022	0	0	0	7,388,343	0.00%
2021	0	0	0	7,597,971	0.00%
2020	0	0	0	7,715,079	0.00%
2019	0	0	0	6,682,607	0.00%
2018	0	0	0	6,124,771	0.00%
2017	0	0	0	5,410,671	0.00%
2016	0	0	0	5,153,236	0.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

Ohio Hi-Point Joint Vocational School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2024

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$7,778,047	\$7,786,328	\$8,575,241	\$788,913
Tuition and Fees	2,129	2,131	2,347	216
Investment Earnings	553,124	553,713	609,815	56,102
Intergovernmental	9,965,888	9,976,500	10,987,321	1,010,821
Other Revenues	316,366	316,703	348,791	32,088
Total Revenues	18,615,554	18,635,375	20,523,515	1,888,140
Expenditures:				
Current:				
Instruction:				
Regular	1,499,795	1,605,808	1,425,456	180,352
Special	809,942	867,193	769,796	97,397
Vocational	8,343,741	8,933,521	7,930,175	1,003,346
Support Services:				
Pupil	1,057,176	1,131,903	1,004,776	127,127
Instructional Staff	942,356	1,008,966	895,647	113,319
General Administration	59,581	63,793	56,628	7,165
School Administration	1,135,200	1,215,442	1,078,933	136,509
Fiscal	391,991	419,699	372,562	47,137
Business	927,397	992,951	881,430	111,521
Operations and Maintenance	2,436,043	2,608,235	2,315,298	292,937
Pupil Transportation	167,639	179,489	159,330	20,159
Central	865,097	926,247	822,218	104,029
Total Expenditures	18,635,958	19,953,247	17,712,249	2,240,998
Excess of Revenues Over (Under) Expenditures	(20,404)	(1,317,872)	2,811,266	4,129,138
Other Financing Sources (Uses):				
Advances In	167,958	168,136	185,172	17,036
Advances (Out)	(462,946)	(495,670)	(440,000)	55,670
Transfers (Out)	(1,273,103)	(1,363,092)	(1,210,000)	153,092
Total Other Financing Sources (Uses)	(1,568,091)	(1,690,626)	(1,464,828)	225,798
Net Change in Fund Balance	(1,588,495)	(3,008,498)	1,346,438	4,354,936
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	14,455,709	14,455,709	14,455,709	0
Fund Balance - End of Year	\$12,867,214	\$11,447,211	\$15,802,147	\$4,354,936

See accompanying notes to the required supplementary information.

Ohio Hi-Point Joint Vocational School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

Note 1 - Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the five year forecast and “voted and unvoted debt outside the \$10 mill limit”, the appropriations resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The five year forecast demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is the Board’s authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund and function level. Any budgetary modifications at this level may only be made by resolution of the Board.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts on the budgetary schedule reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary schedule reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2024.

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

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

1. Revenues are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budgetary basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budgetary basis) rather than as restricted, assigned, or committed.
4. Advances in and advances out are operating transactions (budgetary basis) as opposed to balance sheet transactions.
5. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budgetary basis).

Ohio Hi-Point Joint Vocational School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

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

Net Change in Fund Balance:

	<u>General Fund</u>
GAAP Basis	\$2,078,469
Revenue Accruals	(560,733)
Expenditure Accruals	739,654
Transfers (Out)	(100,000)
Advances In	185,172
Advances (Out)	(440,000)
Encumbrances	<u>(556,124)</u>
Budgetary Basis	<u><u>\$1,346,438</u></u>

Note 2 - Net Pension Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2023-2024: There were no changes in benefit terms since the prior measurement period.

2022: Cost of Living Adjustments (COLA) increased from 0.50% to 2.50%.

2020-2021: There were no changes in benefit terms from the amounts reported for this 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.

2018: SERS changed from a fixed 3.00% annual increase to a Cost of Living Adjustments (COLA) based on the changed in the Consumer Price Index Index (CPI-W), with a cap of 2.50% and a floor of 0.00%.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2023-2024: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) Cost of Living Adjustments (COLA) was increased from 2.00% to 2.50% for calendar year 2024.

2022: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.00% to 2.40%,
- (2) Payroll growth assumption was reduced from 3.50% to 1.75%,
- (3) Assumed real wage growth was increased from 0.50% to 0.85%,
- (4) Cost of Living Adjustments (COLA) was reduced from 2.50% to 2.00%,
- (5) The discount rate was reduced from 7.50% to 7.00%,
- (6) Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and,
- (7) Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

Ohio Hi-Point Joint Vocational School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

2018-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2017: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) 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,
- (6) 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,
- (7) 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
- (8) The discount rate was reduced from 7.75% to 7.50%.

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

2019-2024: There were no changes in benefit terms from the amounts reported for these fiscal years.

2018: STRS decreased the Cost of Living Adjustment (COLA) to zero.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2024: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2023: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table:
 - a. Adjusted 110.0% for males, projected forward generationally using mortality improvement scale MP-2020
- (2) Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table:
 - a. Adjusted 95.0% for females, projected forward generationally using mortality improvement scale MP-2020
- (3) Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table:
 - a. Projected forward generationally using mortality improvement scale MP-2020
- (4) Projected salary increases changed from 2.50% to 12.50% to 2.50% to 8.50%

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

Ohio Hi-Point Joint Vocational School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2018: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The long term expected rate of return was reduced from 7.75% to 7.45%,
- (2) The inflation assumption was lowered from 2.75% to 2.50%,
- (3) The payroll growth assumption was lowered to 3.00%,
- (4) 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,
- (5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
- (6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

Note 3 - Net OPEB (Asset)/Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2024: Effective January 1, 2024, the non-Medicare disability health care subsidy amounts will change to reflect amounts equal to that of service retirees by years of service.

2017-2023: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2024: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	4.08%
Measurement Date	4.27%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.69%
Measurement Date	3.86%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	4.08%
Measurement Date	4.27%
- (4) The assumption for percent of pre-Medicare eligible retirees who choose the Wraparound plan increased from 10% to 20%.
- (5) The health care trend assumption on retiree premiums was updated to not apply trend to the \$35 surcharge.
- (6) The morbidity factors were updated based on the Society of Actuaries' June 2013 research report Health Care Costs—From Birth to Death by Dale Yamamoto and from the ASOP 6 practice note developed by the American Academy of Actuaries.
- (7) An assumption was added to assume that 15% of pre-65 retirees who waive will elect coverage upon Medicare eligibility.

Ohio Hi-Point Joint Vocational School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

2023: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
 - Prior Measurement Date 2.27%
 - Measurement Date 4.08%
- (2) Municipal Bond Index Rate:
 - Prior Measurement Date 1.92%
 - Measurement Date 3.69%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
 - Prior Measurement Date 2.27%
 - Measurement Date 4.08%
- (4) Health care trend rates were updated.

2022: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
 - Prior Measurement Date 2.63%
 - Measurement Date 2.27%
- (2) Investment Rate of Return:
 - Prior Measurement Date 7.50%
 - Measurement Date 7.00%
- (3) Assumed Rate of Inflation:
 - Prior Measurement Date 3.00%
 - Measurement Date 2.40%
- (4) Payroll Growth Assumption:
 - Prior Measurement Date 3.50%
 - Measurement Date 1.75%
- (5) Assumed Real Wage Growth:
 - Prior Measurement Date 0.50%
 - Measurement Date 0.85%
- (6) Municipal Bond Index Rate:
 - Prior Measurement Date 2.45%
 - Measurement Date 1.92%
- (7) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
 - Prior Measurement Date 2.63%
 - Measurement Date 2.27%
- (8) Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- (9) Rate of health care participation for future retirees and spouses was updated to reflect recent.
- (10) Mortality among active members was updated to the following:
 - a. PUB-2010 General Amount Weighted Below Median Employee mortality table.
- (11) Mortality among service retired members was updated to the following:
 - a. 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.
- (12) Mortality among beneficiaries was updated to the following:
 - a. PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

Ohio Hi-Point Joint Vocational School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

(13) Mortality among disabled member was updated to the following:

- a. 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.

(14) Mortality rates are projected using a fully generational projection with Scale MP-2020.

2021: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Prior Measurement Date	3.22%
Measurement Date	2.63%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.13%
Measurement Date	2.45%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.22%
Measurement Date	2.63%

2020: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Prior Measurement Date	3.70%
Measurement Date	3.22%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.62%
Measurement Date	3.13%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.70%
Measurement Date	3.22%

2019: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Prior Measurement Date	3.63%
Measurement Date	3.70%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.56%
Measurement Date	3.62%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.63%
Measurement Date	3.70%

2018: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

(2) Municipal Bond Index Rate:

Ohio Hi-Point Joint Vocational School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

Fiscal Year 2018	3.56%
Fiscal Year 2017	2.92%
(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

2017: The following changes of assumptions affected the total OPEB liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) 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,
- (6) 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, and
- (7) 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.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

2024: Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024. The change in the subsidy percentage and the base amount for all retiree Non-Medicare Eligible (NME) participants, from 2.2% per year in last year's valuation to 2.5% per year, capped at 75%, as well as the unfreezing of the NME subsidy, the removal of the 6% cap on the year over year subsidy increase for Medicare Eligible (ME) participants, the changes in deductible and office visits copays for Aetna's Medicare Advantage plan, and updates in the medical and PBM vendor contracts. In addition, there were benefit changes related to the change in eligibility for unreduced Pension benefits.

2023: 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. Healthcare trends were updated to reflect emerging claims and recoveries experience.

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.

2021: There was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year end 2021 premium based on June 30, 2020 enrollment distribution. 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.

Ohio Hi-Point Joint Vocational School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

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

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive \$29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to \$0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

2018: The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.10% to 1.90% 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 1, 2019.

2017: There were no changes in benefit terms from the amounts reported for this fiscal year.

Changes in Assumptions:

2024: Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024. The change in the subsidy percentage and the base amount for all retiree Non-Medicare Eligible (NME) participants, from 2.2% per year in last year's valuation to 2.5% per year, capped at 75%, as well as the unfreezing of the NME subsidy, the removal of the 6% cap on the year over year subsidy increase for Medicare Eligible (ME) participants, the changes in deductible and office visits copays for Aetna's Medicare Advantage plan, and updates in the medical and PBM vendor contracts. In addition, there were benefit changes related to the change in eligibility for unreduced Pension benefits.

2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

2021: There were changes in assumptions during the measurement year, which decreased the total OPEB liability by approximately \$0.26 billion. The assumption changes included changes in healthcare costs and trends.

2020: There were changes in assumptions during the measurement year, which increased the total OPEB liability by approximately \$0.04 billion. The assumption changes included changes in healthcare costs and trends.

Ohio Hi-Point Joint Vocational School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

2019: 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). Valuation year per capita health care costs were updated.

2018: 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) and the long term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

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**OHIO HI-POINT JOINT VOCATIONAL SCHOOL DISTRICT
LOGAN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education and Workforce:</i>			
Child Nutrition Cluster:			
School Breakfast Program - Cash Assistance	10.553	N/A	\$19,102
Total - School Breakfast Program			<u>19,102</u>
National School Lunch Program - Non-Cash Assistance (Food Distribution)	10.555	N/A	19,789
COVID-19 National School Lunch Program - Cash Assistance	10.555	N/A	20,305
National School Lunch Program - Cash Assistance	10.555	N/A	100,368
Total - National School Lunch Program			<u>140,462</u>
Total Child Nutrition Cluster			<u>159,564</u>
Total U.S. Department of Agriculture			<u>159,564</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education and Workforce:</i>			
Career and Technical Education - Basic Grants to States	84.048	N/A	423,598
COVID-19 Education Stabilization Fund - Governor's Emergency Education Relief Fund (GEER I and II)	84.425C	N/A	114,172
Total U.S. Department of Education			<u>537,770</u>
U.S. DEPARTMENT OF THE TREASURY			
<i>Passed Through Ohio Facilities Construction Commission:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	84,070
Total U.S. Department of the Treasury			<u>84,070</u>
Total Expenditures of Federal Awards			<u><u>\$781,404</u></u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**OHIO HI-POINT JOINT VOCATIONAL SCHOOL DISTRICT
LOGAN COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Ohio Hi-Point Joint Vocational School District (the District) under programs of the federal government for the fiscal year ended June 30, 2024. 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 or changes in net position 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 the 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 benefited from the use of those donated food commodities.

OHIO AUDITOR OF STATE KEITH FABER

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

Ohio Hi-Point Joint Vocational School District
Logan County
2280 State Route 540
Bellefontaine, Ohio 43311

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 Ohio Hi-Point Joint Vocational School District, Logan County, Ohio (the District) as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 25, 2025, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

February 25, 2025

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

Ohio Hi-Point Joint Vocational School District
Logan County
2280 State Route 540
Bellefontaine, Ohio 43311

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Ohio Hi-Point Joint Vocational School District's, Logan 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 the Ohio Hi-Point Joint Vocational School District's major federal program for the fiscal year ended June 30, 2024. Ohio Hi-Point Joint Vocational School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the Ohio Hi-Point Joint Vocational School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

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

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

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 the 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.

Report on Internal Control Over Compliance

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

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

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

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



Keith Faber
Auditor of State
Columbus, Ohio

February 25, 2025

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**OHIO HI-POINT JOINT VOCATIONAL SCHOOL DISTRICT
LOGAN COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2024**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Career and Technical Education – Basic Grants to States (AL#84.048)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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OHIO AUDITOR OF STATE KEITH FABER



OHIO HI-POINT JOINT VOCATIONAL SCHOOL DISTRICT

LOGAN 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 3/13/2025

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
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