



OHIO AUDITOR OF STATE
KEITH FABER



**VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON COUNTY
JUNE 30, 2024**

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VINTON COUNTY
JUNE 30, 2024

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Vinton County Local School District
Vinton County
307 West High Street
McArthur, Ohio, 45651

To the Board of Education:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Vinton County Local School District, Vinton County, Ohio (the District), as of and for the 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, the major fund, and the aggregate remaining fund information of the Vinton County Local School District, Vinton County, Ohio as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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 opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and Schedules of the District's Proportionate Share of Net Pension and Other Post-employment Benefit Liabilities/Assets 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 March 12, 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

March 12, 2025

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Vinton County Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The discussion and analysis of Vinton County Local School District's financial performance provides an overview and analysis 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 our notes to the basic financial statements and the financial statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

- The assets and deferred outflows of resources of Vinton County Local School District exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$42,656,561. Of this amount, \$36,113,529 represents the net investment in capital assets, \$2,412,843 represents amounts restricted for specific purposes, and the remaining \$4,130,189 is unrestricted.
- In total, net position of governmental activities increased by \$2,645,010 which represents a 6.61 percent increase from 2023.
- General revenues accounted for \$27,671,520 or 76.70 percent of total revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$8,405,695 or 23.30 percent of total revenues of \$36,077,215.
- The District had \$33,432,205 in expenses related to governmental activities; only \$8,405,695 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes and grants and entitlements) were used to provide for the remainder of these programs.
- The District recognizes one major governmental fund: the General Fund. In terms of dollars received and spent, the General Fund is significantly larger than all the other funds of the District combined. The General Fund had \$29,920,912 in revenues and financing sources and \$27,657,167 in expenditures and other financing uses in fiscal year 2024.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are presented following the requirements of GASB Statement No. 34, and are organized so the reader can understand Vinton County Local School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: the government-wide financial statements, fund financial statements and notes to the basic financial statements.

Reporting the District as a Whole

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. These statements include all assets, liabilities, and deferred inflows/outflows of resources using the accrual basis of accounting, which is 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.

Vinton County Local School District
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The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources with the difference between these reported as net position. Over time, increases and decreases in net position are important because they serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. The cause of this change may be the result of several factors, some financial and some not. Nonfinancial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required but unfunded educational programs, and other factors. Ultimately, the District's goal is to provide services to our students, not to generate profits as commercial entities do.

The statement of activities presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

In both of the government-wide financial statements, the District's activities are shown as governmental activities. All of the District's programs and services are reported here including instructional services, support services and operation of non-instructional services. These services are funded primarily by taxes, tuition and fees, and intergovernmental revenues, including federal and state grants and other shared revenues.

Reporting the District's Most Significant Funds

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. The District's major governmental fund is the General Fund.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be classified into two categories: governmental and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements. 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.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Vinton County Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service; the District has no enterprise funds. The internal service fund is used to account for the financing services provided by one department or agency to other departments or agencies of the District on a cost-reimbursement basis. The internal service fund is used to account for the reimbursement to employees for deductibles on their health insurance and for the medical self-insurance program.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

Recall that the statement of net position provides the perspective of the District as a whole, showing assets, liabilities, deferred inflows/outflows of resources, and the difference between them (net position). Table 1 provides a summary of the District's net position for 2024 compared to fiscal year 2023:

Table 1
Net Position
Governmental Activities

	2024	2023
<i>Assets</i>		
Current and Other Assets	\$46,751,668	\$43,660,135
Capital Assets, Net	38,171,924	38,889,005
Total Assets	84,923,592	82,549,140
Deferred Outflows of Resources	6,115,474	6,515,461
<i>Liabilities</i>		
Current and Other Liabilities	4,295,395	3,506,120
Long-Term Liabilities	30,451,099	30,755,544
Total Liabilities	34,746,494	34,261,664
Deferred Inflows of Resources	13,636,011	14,791,386
<i>Net Position</i>		
Net Investment in Capital Assets	36,113,529	36,497,770
Restricted	2,412,843	2,037,189
Unrestricted (Deficit)	4,130,189	1,476,592
Total Net Position	\$42,656,561	\$40,011,551

Current and other assets increased \$3,091,533 from fiscal year 2023 due primarily to increases in cash and cash equivalents, cash and cash equivalents with fiscal agents, and property taxes receivable. Property taxes receivable increased due to increased property assessment valuations resulting in increased expected future collections. Cash and cash equivalents increase due to an increase in monies on hand at fiscal year end. Cash and cash equivalents with fiscal agents increased as a result of the District's decision to become self-funded for insurance during the fiscal year, and the funds that are held on behalf of the District by the Jefferson Health Plan. Capital assets, net

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Management's Discussion and Analysis
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decreased \$717,081 due to depreciation/amortization expense and deletions in excess of current year additions. Deferred outflows of resources decreased \$399,987 due to changes in actuarially determined deferral related to the District's proportionate share of the state-wide net pension liability, as well as the amortization of deferred charges on refunded debt, which was partially offset by the District's proportionate share of the state-wide OPEB liability.

Current and other liabilities increased \$789,275 between years due to a increase in contracts and claims payable. Claims payable increased as a result of the District becoming self-insured. Long-term liabilities decreased by \$304,445 due to a decrease in net pension liabilities and the repayment of outstanding debt balances, which was partially offset by an increase in net OPEB liability. Deferred inflows of resources decreased by \$1,155,375 due to a decrease in actuarially determined deferrals related to the District's proportionate share of the state-wide net pension liabilities.

Table 2 shows the changes in net position for fiscal year 2024 and provides a comparison to fiscal year 2023.

Table 2
Changes in Net Position
Governmental Activities

	2024	2023
<i>Revenues</i>		
<i>Program Revenue</i>		
Charges for Services and Sales	\$616,996	\$559,201
Operating Grants and Contributions	7,788,699	9,287,248
Total Program Revenue	8,405,695	9,846,449
<i>General Revenue</i>		
Property and Other Taxes	8,685,837	8,171,031
Unrestricted Grants and Entitlements	16,874,138	16,711,660
Unrestricted Gifts and Contributions	2,148	4,220
Investment Earnings	2,066,361	513,996
Insurance Recoveries	2,975	0
Miscellaneous	40,061	36,424
Total General Revenue	27,671,520	25,437,331
Total Revenues	36,077,215	35,283,780

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Vinton County Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
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Table 2
Changes in Net Position
Governmental Activities
(continued)

	2024	2023
<i>Expenses</i>		
<i>Program Expenses</i>		
<i>Instruction</i>		
Regular	\$14,726,804	\$14,233,240
Special	3,288,594	3,315,624
Vocational	384,358	399,744
Other	822,609	856,842
<i>Support Services</i>		
Pupils	2,403,724	2,166,983
Instructional Staff	1,202,482	1,145,029
Board of Education	547,515	483,805
Administration	2,469,747	2,431,477
Fiscal	590,441	576,839
Operation and Maintenance of Plant	2,499,857	3,618,715
Pupil Transportation	2,189,065	2,288,676
Central	87,983	101,609
Operation of Non-Instructional Services	1,582,104	1,685,045
Extracurricular Activities	614,120	649,974
Debt Service:		
Interest	22,802	36,489
Total Expenses	<u>33,432,205</u>	<u>33,990,091</u>
 <i>Change in Net Position</i>	 2,645,010	 1,293,689
<i>Net Position Beginning of Year</i>	<u>40,011,551</u>	<u>38,717,862</u>
<i>Net Position End of Year</i>	<u>\$42,656,561</u>	<u>\$40,011,551</u>

The most significant program expenses for the District are Regular Instruction, Special Instruction, Pupils Support Services, Instructional Staff, Administration, Operation and Maintenance of Plant, Pupil Transportation and Non-Instructional Services. These programs account for 91 percent of the total governmental activities. Regular Instruction accounts for 44 percent of the total and represents costs associated with providing general educational services. Special Instruction accounts for 10 percent of the total and represents costs associated with providing educational services for handicapped, disadvantaged and other special needs students. Pupils, which represent 7 percent of the total cost, represent costs associated with activities designed to assess and improve the well-being of pupils and supplement the teaching process. Instructional Staff accounts for 4 percent of the total and represents costs associated with assisting instructional staff with providing learning experiences for students. Administration accounts for 7 percent of the total and represents costs associated with the overall administrative responsibility for each building and the District as a whole. Operation and Maintenance of Plant accounts for 7 percent of the total and represents costs associated with operating and maintaining the District's facilities. Pupil Transportation accounts for 7 percent of the total and represents costs associated with providing transportation services for students between home and school and to school activities. Non-Instructional Services accounts for 5 percent of the total and primarily represents food service operations.

The majority of the funding for the most significant programs indicated above is from grants and entitlements not restricted for specific programs, property taxes, and operating grants and contributions. Operating grants and contributions, property taxes, and grants and entitlements account for 92 percent of total revenues.

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As noted previously, the net position for the governmental activities increased \$2,645,010 or 7 percent. Total revenues increased \$793,435 or 2 percent from last year, primarily the result of an increase to investment earnings as a result of additional cash on hand during the fiscal year and improved market conditions, which was partially offset by decreases in operating grants and contributions, due to decreased COVID funding. Expenses decreased \$557,886 or 2 percent from last year, resulting from a decrease in operation and maintenance of plant due to various repairs and maintenance projects in the prior year, which was partially offset by increase in regular instruction due to increased personnel costs.

Governmental Activities

Over the past several fiscal years, the District has remained in stable financial condition. This has been accomplished through strong voter support and good fiscal management. The District is heavily dependent on property taxes and intergovernmental revenue and, like most Ohio schools, is hampered by a lack of revenue growth. Property taxes made up 24 percent and intergovernmental revenue made up 68 percent of the total revenue for the governmental activities in fiscal year 2024.

The Ohio Legislature passed H.B. 920 (1976) and changed the way property taxes function in the State. The overall revenue generated by a levy will not increase solely as a result of inflation. As an example, the District would receive from a home valued at \$100,000 and taxed at 1.0 mill, \$35.00 annually. If three years later the home was reappraised and the value increased to \$200,000 (and this increase in value is comparable to other property owners) the effective tax rate would become 0.5 mill and the District would still receive \$35.00 annually. Therefore, the District must regularly return to the voters to maintain a constant level of service.

The District voters approved a bond retirement tax levy for 3.82 mills in November 1997 as part of a \$5,010,000 bond issue for the construction of a new high school. Of the 3.82 mills, 3.32 mills are used for the retirement of the bonds and the remaining 0.5 mills are used for repairs and maintenance of the new facilities. The District voters also approved a bond retirement tax levy for 1.48 mills as part of the construction of the new elementary schools in addition to high school and new middle school. In fiscal year 2024, these levies generated \$199,803 in tax revenue for debt service payments.

The District's intergovernmental revenue consists of school foundation basic allowance, homestead and rollback property tax allocation, and federal and state grants. During fiscal year 2024, the District received \$17,669,659 through the State's foundation program, which represents 49 percent of the total revenue for the governmental activities. The District relies heavily on this state funding to operate at the current level of service.

Instruction accounts for 57 percent of governmental activities program expenses. Support services expenses make up 36 percent of governmental activities program expenses. The statement of activities shows the cost of program services and charges for services and grants offsetting those services.

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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Table 3 shows the total cost of services and the net cost of services for fiscal year 2024 as compared to 2023. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Net Cost of Governmental Activities

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2024	2024	2023	2023
<i>Program Expenses</i>				
Instruction	\$19,222,365	\$13,913,648	\$18,805,450	\$13,211,698
Support Services	11,990,814	10,523,380	12,813,133	10,282,928
Operation of Non-Instructional Services	1,582,104	332,416	1,685,045	371,785
Extracurricular Activities	614,120	234,264	649,974	240,742
Debt Service	22,802	22,802	36,489	36,489
Total	\$33,432,205	\$25,026,510	\$33,990,091	\$24,143,642

The District's Funds

The District's governmental funds are accounted for using the modified accrual basis of accounting. (See note 2 for discussion of significant accounting policies and procedures). All governmental funds had total revenues and other financing sources of \$37,055,345 and expenditures and other financing uses of \$34,868,649. Total governmental funds experienced an increase of \$2,186,696 in fund balance.

The fund balance of the General Fund increased \$2,263,745. Investment earnings and change in fair value of investments yielded the most significant change in revenues, increasing \$1,540,063 between years. Expenditures increased due mainly to an increase in pupil support services and regular instruction expenditures due to increased personnel costs.

The District should remain stable in fiscal years 2025 through 2026. However, projections beyond fiscal year 2026 show the District may be unable to meet inflationary cost increases in the long-term without additional tax levies or a meaningful change in state funding of public schools as directed by the Ohio Supreme Court.

Budget Highlights - General Fund

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

During the course of fiscal year 2024, the District did not require amending its General Fund budgeted revenue. The District's final budgeted expenditures increased from original budgeted amounts by \$780,405 which was primarily due to increases in special instruction and capital outlay. The District uses a modified site-based budget technique that is designed to control site budgets while providing building administrators and supervisors flexibility for site management.

The District prepares and monitors a detailed cash flow plan for the General Fund. Actual cash flow is compared to monthly and year-to-date estimates, and a monthly report is prepared for top management and the Board of Education.

Ending unobligated fund balance was \$28,387,331, which was \$1,226,129 above the final estimated amount.

Vinton County Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2024, the District had \$82 million invested in capital assets, of which all was in governmental activities. That total carries an accumulated depreciation/amortization of \$44 million. Table 4 shows fiscal year 2024 balances compared to fiscal year 2023.

Table 4
Capital Assets and Accumulated Depreciation/Amortization at Year End
Governmental Activities

	2024	2023
<i>Nondepreciable/Nonamortized Capital Assets</i>		
Land	\$1,338,040	\$1,338,040
Construction in Progress	904,132	0
<i>Depreciable Capital Assets</i>		
Land Improvements	10,295,937	10,294,068
Buildings and Improvements	62,015,095	61,871,059
Furniture, Fixtures and Equipment	4,154,725	4,095,687
Vehicles	3,528,722	3,837,935
Intangible Right to Use Assets	255,333	255,333
Total Capital Assets	82,491,984	81,692,122
<i>Less Accumulated Depreciation/Amortization</i>		
Land Improvements	(8,320,421)	(7,901,111)
Buildings and Improvements	(30,401,853)	(28,991,361)
Furniture, Fixtures and Equipment	(3,332,075)	(3,212,817)
Vehicles	(2,141,750)	(2,604,880)
Intangible Right to Use Assets	(123,961)	(92,948)
Total Accumulated Depreciation/Amortization	(44,320,060)	(42,803,117)
Capital Assets, Net	\$38,171,924	\$38,889,005

More detailed information pertaining to the District's capital asset activity can be found in note 9 of the notes to the basic financial statements.

Debt Administration

At June 30, 2024, the District had bus and energy conservation notes, refunding bonds, and leases payable outstanding with \$308,926 due within one year. Table 5 summarizes bonds, notes, and capital leases outstanding for fiscal year 2024 compared to fiscal year 2023.

Table 5
Outstanding Debt, Governmental Activities at Year End

	2024	2023
Refunding Bonds	\$1,844,429	\$2,037,000
Energy Note	0	155,000
Bus Note	96,500	191,200
Leases Payable	37,426	91,704
Total	\$1,978,355	\$2,474,904

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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

More detailed information pertaining to the District's long-term debt activity can be found in note 13 of the notes to the basic financial statements.

Current Issues

Vinton County Local School District is financially stable and has been over the past several years, although the financial future of the District is not without its challenges. The District relies on revenue from local property taxes as well as revenue from unrestricted state funding sources (approximately 71 percent). The current state funding formula in place is called the Fair School Funding Plan and has the following components: Base Cost, Targeted Assistance Special Education, Disadvantaged Pupil Impact Aid (DPIA), English Learners, Gifted and Career Technical Education. These various components are calculated using student enrollment and local capacity as well as statewide averages. The current funding formula has guarantees built in that will not let districts fall below the funding that they received in FY2020 and FY2021. The District has been on the guarantee since 2016 due to declining enrollment and an increase in property valuation. Although state funding has been frozen over the last few years, the District has seen an increase in tax revenue mainly due to public utility property valuation tax increases and the addition of a pipeline that came through Vinton County. The Vinton County Local Board of Education is committed to being financially responsible and with increased expenditures and declining revenues the District will need to continue to implement cost saving and cost containing measures in an attempt to have a balanced budget.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information contact Erica Zinn, Treasurer of Vinton County Local School Board of Education, 307 West High Street, McArthur, Ohio 45651.

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Vinton County Local School District
Statement of Net Position
As of June 30, 2024

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$30,892,727
Cash and Cash Equivalents in Segregated Accounts	3,327
Cash and Cash Equivalents with Fiscal Agents	1,152,492
Inventory Held for Resale	15,990
Accrued Interest Receivable	55,442
Intergovernmental Receivable	1,034,691
Prepaid Items	95,652
Property Taxes Receivable	11,809,538
Net OPEB Asset	1,691,809
Nondepreciable Capital Assets	2,242,172
Depreciable Capital Assets, net	35,929,752
<i>Total Assets</i>	84,923,592
Deferred Outflows of Resources:	
Deferred Charges on Refunding	75,302
Pension	4,915,895
OPEB	1,124,277
<i>Total Deferred Outflows of Resources</i>	6,115,474
Liabilities:	
Accounts Payable	309,575
Accrued Wages and Benefits	2,720,624
Contracts Payable	155,342
Intergovernmental Payable	540,780
Accrued Interest Payable	990
Claims Payable	568,084
Long-Term Liabilities:	
Due Within One Year	455,436
Due in More Than One Year	3,052,427
Net Pension Liability	25,014,247
Net OPEB Liability	1,928,989
<i>Total Liabilities</i>	34,746,494
Deferred Inflows of Resources:	
Property Taxes not Levied to Finance Current Year Operations	8,902,527
Pension	1,638,278
OPEB	3,095,206
<i>Total Deferred Inflows of Resources</i>	13,636,011
Net Position:	
Net Investment in Capital Assets	36,113,529
Restricted for Debt Service	1,403,662
Restricted for Capital Outlay	11,414
Restricted for Other Purposes	459,557
Restricted for Net OPEB Asset	537,335
Restricted for Unclaimed Monies	875
Unrestricted	4,130,189
<i>Total Net Position</i>	\$42,656,561

The notes to the basic financial statements are an integral part of this statement

Vinton County Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2024

		Program Revenues		Net (Expense)
	Expenses	Charges for	Operating Grants	Revenue and
		Services and Sales	and Contributions	Changes in
				Net Position
Governmental Activities:				
Instruction:				
Regular	\$14,726,804	\$274,145	\$2,489,318	(\$11,963,341)
Special	3,288,594	0	2,187,799	(1,100,795)
Vocational	384,358	0	91,728	(292,630)
Other	822,609	0	265,727	(556,882)
Support Services:				
Pupils	2,403,724	0	786,910	(1,616,814)
Instructional Staff	1,202,482	0	541,785	(660,697)
Board of Education	547,515	0	0	(547,515)
Administration	2,469,747	0	95,779	(2,373,968)
Fiscal	590,441	0	0	(590,441)
Operation and Maintenance of Plant	2,499,857	0	20,098	(2,479,759)
Pupil Transportation	2,189,065	0	22,862	(2,166,203)
Central	87,983	0	0	(87,983)
Operation of Non-Instructional Services	1,582,104	20,703	1,228,985	(332,416)
Extracurricular Activities	614,120	322,148	57,708	(234,264)
Interest	22,802	0	0	(22,802)
<i>Total Governmental Activities</i>	<u>\$33,432,205</u>	<u>\$616,996</u>	<u>\$7,788,699</u>	<u>(25,026,510)</u>

General Revenues:

Property Taxes Levied for:	
General Purposes	8,381,232
Capital Maintenance	104,802
Debt Service	199,803
Grants and Entitlements not	
Restricted for Specific Programs	16,874,138
Gifts and Contributions not	
Restricted for Specific Programs	2,148
Investment Earnings	2,066,361
Insurance Recoveries	2,975
Miscellaneous	40,061
<i>Total General Revenues</i>	<u>27,671,520</u>
<i>Change in Net Position</i>	<u>2,645,010</u>
<i>Net Position Beginning of Year</i>	<u>40,011,551</u>
<i>Net Position End of Year</i>	<u>\$42,656,561</u>

The notes to the basic financial statements are an integral part of this statement

Vinton County Local School District
Balance Sheet
Governmental Funds
As of June 30, 2024

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$29,180,845	\$1,711,007	\$30,891,852
Cash and Cash Equivalents in Segregated Accounts	0	3,327	3,327
Inventory Held for Resale	0	15,990	15,990
Accrued Interest Receivable	55,442	0	55,442
Interfund Receivable	472,357	0	472,357
Intergovernmental Receivable	0	1,034,691	1,034,691
Prepaid Items	95,652	0	95,652
Property Taxes Receivable	11,474,425	335,113	11,809,538
Restricted Cash and Cash Equivalents	875	0	875
<i>Total Assets</i>	<u>\$41,279,596</u>	<u>\$3,100,128</u>	<u>\$44,379,724</u>
Liabilities:			
Accounts Payable	\$226,700	\$82,875	\$309,575
Accrued Wages and Benefits	2,357,857	362,767	2,720,624
Contracts Payable	0	155,342	155,342
Interfund Payable	0	466,128	466,128
Intergovernmental Payable	468,189	72,591	540,780
<i>Total Liabilities</i>	3,052,746	1,139,703	4,192,449
Deferred Inflows of Resources:			
Property Taxes not Levied to Finance Current Year Operations	8,650,663	251,864	8,902,527
Unavailable Revenue	2,538,666	188,620	2,727,286
<i>Total Deferred Inflows of Resources</i>	11,189,329	440,484	11,629,813
Fund Balances:			
Nonspendable	96,527	0	96,527
Restricted	0	1,645,437	1,645,437
Committed	327,840	0	327,840
Assigned	763,005	0	763,005
Unassigned (Deficit)	25,850,149	(125,496)	25,724,653
<i>Total Fund Balances</i>	<u>27,037,521</u>	<u>1,519,941</u>	<u>28,557,462</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$41,279,596</u>	<u>\$3,100,128</u>	<u>\$44,379,724</u>

The notes to the basic financial statements are an integral part of this statement.

Vinton County Local School District
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
As of June 30, 2024*

Total Governmental Fund Balances	\$28,557,462
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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.	38,171,924
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Some of the District's receivables will be collected after fiscal year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. Those receivables consist of:

Intergovernmental	113,776	
Taxes	2,613,510	
Total		2,727,286

Deferred outflows of resources represent deferred charges on refundings which do not provide current financial resources and therefore are not reported in the funds.	75,302
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The net pension/OPEB liability (asset) is not due and payable (receivable) in the current period. Therefore, the liability (asset) and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows-Pension	4,915,895	
Deferred Outflows-OPEB	1,124,277	
Deferred Inflows-Pension	(1,638,278)	
Deferred Inflows-OPEB	(3,095,206)	
Net Pension Liability	(25,014,247)	
Net OPEB Asset	1,691,809	
Net OPEB Liability	(1,928,989)	
Total		(23,944,739)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:

Refunding Bonds	(1,661,000)	
Premium on Refunding Bonds	(183,429)	
General Obligation Notes	(96,500)	
Accrued Interest on Bonds	(990)	
Compensated Absences	(1,529,508)	
Lease Obligations	(37,426)	
Total		(3,508,853)

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.

578,179

Net Position of Governmental Activities	<u><u>\$42,656,561</u></u>
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The notes to the basic financial statements are an integral part of this statement

Vinton County Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property Taxes	\$8,730,416	\$342,502	\$9,072,918
Intergovernmental	18,756,121	5,939,858	24,695,979
Interest	1,261,199	6,145	1,267,344
Change in Fair Value of Investments	792,843	0	792,843
Tuition and Fees	274,145	0	274,145
Extracurricular Activities	41,437	280,711	322,148
Gifts and Donations	22,444	37,409	59,853
Customer Sales and Services	0	20,703	20,703
Miscellaneous	39,332	729	40,061
<i>Total Revenues</i>	29,917,937	6,628,057	36,545,994
Expenditures:			
Current:			
Instruction:			
Regular	11,943,397	1,522,019	13,465,416
Special	2,789,573	629,508	3,419,081
Vocational	392,610	2,752	395,362
Other	576,461	257,221	833,682
Support Services:			
Pupils	2,000,213	448,512	2,448,725
Instructional Staff	705,718	503,452	1,209,170
Board of Education	535,367	12,482	547,849
Administration	2,436,274	92,502	2,528,776
Fiscal	612,374	0	612,374
Operation and Maintenance of Plant	2,028,448	378,018	2,406,466
Pupil Transportation	2,137,467	22,440	2,159,907
Central	88,756	0	88,756
Operation of Non-Instructional Services	0	1,609,254	1,609,254
Extracurricular Activities	298,553	324,669	623,222
Capital Outlay	544,637	958,317	1,502,954
Debt Service:			
Principal	54,278	421,700	475,978
Interest	6,665	28,636	35,301
<i>Total Expenditures</i>	27,150,791	7,211,482	34,362,273
<i>Excess of Revenues Over (Under) Expenditures</i>	2,767,146	(583,425)	2,183,721
Other Financing Sources (Uses):			
Transfers In	0	506,376	506,376
Insurance Recoveries	2,975	0	2,975
Transfers Out	(506,376)	0	(506,376)
<i>Total Other Financing Sources (Uses)</i>	(503,401)	506,376	2,975
<i>Net Change in Fund Balances</i>	2,263,745	(77,049)	2,186,696
<i>Fund Balance at Beginning of Year</i>	24,773,776	1,596,990	26,370,766
<i>Fund Balance at End of Year</i>	\$27,037,521	\$1,519,941	\$28,557,462

The notes to the basic financial statements are an integral part of this statement.

Vinton County Local School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024*

Net Change in Fund Balances - Total Governmental Funds	\$2,186,696
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital Asset Additions	1,502,954	
Current Year Depreciation/Amortization	(2,149,317)	
Total		(646,363)

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.	(70,718)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Intergovernmental	(96,967)	
Interest	12,294	
Taxes	(387,081)	
Total		(471,754)

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

Pension	2,359,874	
OPEB	79,532	
Total		2,439,406

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

Pension	(2,000,453)	
OPEB	280,873	
Total		(1,719,580)

Repayments of bond and note principal are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net position and does not result in an expense in the statement of activities.	421,700
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Repayments of lease obligations are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net position and does not result in an expense in the statement of activities.	54,278
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds an interest expenditure is reported when due.	295
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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	(127,039)	
Amortization of Premium on Bonds	20,571	
Amortization of Deferred Charge on Refunding	(8,367)	
Total		(114,835)

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

Net Change in Net Position of Governmental Activities	<u><u>\$2,645,010</u></u>
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The notes to the basic financial statements are an integral part of this statement

Vinton County Local School District
Statement of Revenues, Expenditures and Change
in Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget: Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$8,278,799	\$8,278,799	\$8,686,907	\$408,108
Intergovernmental	18,632,187	18,632,187	18,755,685	123,498
Interest	675,000	675,000	1,260,155	585,155
Tuition and Fees	203,500	203,500	273,782	70,282
Rent	200	200	0	(200)
Gifts and Donations	0	0	2,148	2,148
Miscellaneous	25,000	25,000	39,332	14,332
<i>Total Revenues</i>	<i>27,814,686</i>	<i>27,814,686</i>	<i>29,018,009</i>	<i>1,203,323</i>
Expenditures:				
Current:				
Instruction:				
Regular	15,682,243	15,731,093	11,930,017	3,801,076
Special	1,957,629	2,210,629	2,812,702	(602,073)
Vocational	351,461	356,461	413,985	(57,524)
Other	531,205	431,276	594,438	(163,162)
Support Services:				
Pupils	1,087,166	1,261,622	2,015,954	(754,332)
Instructional Staff	386,075	506,075	708,193	(202,118)
Board of Education	524,527	524,527	548,842	(24,315)
Administration	1,564,926	1,564,926	2,437,661	(872,735)
Fiscal	456,071	466,071	613,747	(147,676)
Operation and Maintenance of Plant	2,241,531	2,303,670	2,150,748	152,922
Pupil Transportation	2,168,658	1,960,561	2,754,062	(793,501)
Central	38,224	38,224	88,220	(49,996)
Extracurricular Activities	230,000	230,000	244,412	(14,412)
Capital Outlay	0	414,986	414,986	0
<i>Total Expenditures</i>	<i>27,219,716</i>	<i>28,000,121</i>	<i>27,727,967</i>	<i>272,154</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>594,970</i>	<i>(185,435)</i>	<i>1,290,042</i>	<i>1,475,477</i>
Other Financing Sources (Uses):				
Insurance Recoveries	0	0	2,975	2,975
Transfers Out	(254,053)	(254,053)	(506,376)	(252,323)
<i>Total Other Financing Sources (Uses)</i>	<i>(254,053)</i>	<i>(254,053)</i>	<i>(503,401)</i>	<i>(249,348)</i>
<i>Net Change in Fund Balances</i>	<i>340,917</i>	<i>(439,488)</i>	<i>786,641</i>	<i>1,226,129</i>
<i>Fund Balance at Beginning of Year</i>	<i>27,285,880</i>	<i>27,285,880</i>	<i>27,285,880</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>314,810</i>	<i>314,810</i>	<i>314,810</i>	<i>0</i>
<i>Fund Balance at End of Year</i>	<i>\$27,941,607</i>	<i>\$27,161,202</i>	<i>\$28,387,331</i>	<i>\$1,226,129</i>

The notes to the basic financial statements are an integral part of this statement.

Vinton County Local School District
Statement of Fund Net Position
Proprietary Fund
As of June 30, 2024

	Internal Service Fund
Assets:	
<i>Current Assets:</i>	
Cash and Cash Equivalents with Fiscal Agents	<u>\$1,152,492</u>
<i>Total Current Assets</i>	<u>1,152,492</u>
<i>Total Assets</i>	1,152,492
Liabilities:	
<i>Current Liabilities:</i>	
Interfund Payable	6,229
Claims Payable	<u>568,084</u>
<i>Total Current Liabilities</i>	<u>574,313</u>
<i>Total Liabilities</i>	574,313
Net Position:	
Unrestricted	<u>578,179</u>
<i>Total Net Position</i>	<u><u>\$578,179</u></u>

The notes to the basic financial statements are an integral part of this statement.

Vinton County Local School District
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2024

	<u>Internal Service Fund</u>
Operating Revenues:	
Charges for Services	<u>\$3,097,266</u>
<i>Total Operating Revenues</i>	3,097,266
Operating Expenses:	
Purchased Services	461,313
Claims	<u>2,070,068</u>
<i>Total Operating Expenses</i>	<u>2,531,381</u>
<i>Operating Income</i>	565,885
Nonoperating Revenues:	
Interest	<u>12,294</u>
<i>Total Nonoperating Revenues</i>	<u>12,294</u>
<i>Net Change in Net Position</i>	578,179
<i>Net Position Beginning of Year</i>	<u>0</u>
<i>Net Position End of Year</i>	<u><u>\$578,179</u></u>

The notes to the basic financial statements are an integral part of this statement.

Vinton County Local School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2024

	Internal Service Fund
Increase in Cash and Cash Equivalents:	
Cash Flows from Operating Activities:	
Cash Received for Charges for Services and Sales	\$3,097,266
Cash Paid for Purchased Services	(461,313)
Cash Paid for Claims	<u>(1,501,984)</u>
<i>Net Cash Flows Provided by Operating Activities</i>	1,133,969
Cash Flows from Financing Activities:	
Advances Received from General Fund	<u>6,229</u>
<i>Net Cash Flows Provided by Financing Activities</i>	6,229
Cash Flows from Investing Activities:	
Interest	<u>12,294</u>
<i>Net Cash Flows Provided by Investing Activities</i>	<u>12,294</u>
<i>Net Increase in Cash and Cash Equivalents</i>	1,152,492
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>0</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$1,152,492</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$565,885
<i>Change in Liabilities:</i>	
Increase in Claims Payable	<u>568,084</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$1,133,969</u></u>

The notes to the basic financial statements are an integral part of this statement.

Vinton County Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1 – Description of the District and Reporting Entity

Description of the District

Vinton County Local School District (the District) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The District provides educational services as authorized by State statute and/or federal guidelines. The District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The Board controls the District's five (5) instructional support facilities staffed by 91 non-certificated, 149 teaching personnel and 19 administrative employees providing education to 1,585 students.

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For Vinton County Local School District, this includes general operations, food service 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 has no component units.

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

- Parent Teacher Organizations
- Booster Clubs

The District is associated with six jointly governed organizations, one public entities risk pool and one insurance purchasing pool. These organizations are META Solutions, the Gallia-Vinton Educational Service Center, the Gallia-Jackson-Vinton Joint Vocational School District, the State Support Team Region 16, the Ohio Coalition of Equity and Adequacy of School Funding, the Coalition of Rural and Appalachian Schools, Jefferson Health Plan, and the Ohio SchoolComp Workers' Compensation Group Rating Plan. These organizations are presented in note 18 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources.

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 more significant of the District's accounting policies are described below.

Vinton County Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. The activity of the internal service fund is eliminated to avoid "doubling up" receipts and disbursements. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District has no business-type activities.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function 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 grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

Governmental funds are those through which most governmental functions of the District are financed. 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, liabilities, and deferred inflows/outflows of resources is reported as fund balance.

The following is the District's major governmental fund:

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

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

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service. The District does not report any enterprise funds.

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the District on a cost reimbursement basis. The District's internal service fund accounts for the self-insurance program for employee medical claims.

Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and certain deferred inflows/outflows of resources 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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses and changes in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and "available" means that the resources are collectible within the current fiscal year,

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or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the 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 the fiscal year-end: property taxes available for advance, grants and interest.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. For the District, deferred outflows of resources include a deferred charge on refunding reported in the government-wide statement of net position and amounts for pensions and other post-employment benefits. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. Information on pensions and other post-employment benefits is presented in notes 10 and 11.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, grants, pensions, and other post-employment benefits. Property taxes for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows of resources on the statement of net position and governmental fund balance sheet. Grants and entitlements not received within the available period and delinquent property taxes due at June 30, 2024, are recorded as deferred inflows of resources in the governmental funds and as revenue on the statement of activities. Information on pensions and other post-employment benefits is presented in notes 10 and 11.

Expenses/Expenditures

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

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

Cash and Cash Equivalents

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District records. Each fund's interest in the pool is

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presented as “Equity in Pooled Cash and Cash Equivalents” on the financial statements. The District also had amounts in “Cash and Cash Equivalents in Segregated Accounts” to hold the money for athletics.

During the fiscal year 2024, the District’s investments were limited to money market funds, negotiable certificates of deposit, and STAR Ohio. Except for non-participating investment contracts, investments are reported at fair value which is based on quoted market prices.

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 its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. Twenty-four hours advanced notice is appreciated for deposits and redemptions of \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$250 million per day. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the District during fiscal year 2024 amounted to \$1,261,199 credited to the General Fund, \$6,145 in Other Governmental Funds, and \$12,294 in the Internal Service Fund. The District also experienced an increase in the fair value of investments in the amount of \$792,843, which was also recognized in the General Fund.

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

Inventory

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On the fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund type when consumed or used.

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 an expenditure/expense is reported in the year in which services are consumed.

Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or imposed by enabling legislation. Unclaimed monies that are required to be held for five years before they may be utilized by the District are reported as restricted. Restricted assets in the General Fund include amounts held as unclaimed monies.

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Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of one thousand five hundred dollars. The District does not possess any infrastructure. Improvements are capitalized; the normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

Description	Estimated Lives
Land Improvements	20 - 30 years
Buildings and Improvements	25 - 50 years
Furniture, Fixtures and Equipment	6 - 15 years
Vehicles	15 years

Amortization of intangible right to use leased assets is computed using the straight-line method over the shorter of the lease term or the useful life of the underlying asset.

Interfund Balances

On the 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.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributed 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 vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payments in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the District's termination policy. The District records a liability for accumulated unused sick leave for classified and certified employees and administrators who have at least 20 years of service with the District.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees will be paid. The District recognized no matured compensated absences payable as of June 30, 2024.

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Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities and long-term liabilities are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the internal service fund are reported on the proprietary fund 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 special termination of benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Bonds, notes, and leases that will be paid from governmental funds are recognized as an expenditure and liability on the governmental fund financial statements when due.

Net Position

Net position represents the difference between assets, liabilities, and deferred inflows/outflows 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 its 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. Net position restricted for other purposes represents balances in special revenue funds for grants whose use is restricted by grant agreements.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Of the District's restricted net position, none is restricted by enabling legislation.

Fund Balance

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent because they are either not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of either (a) constraints imposed by law through constitutional provisions, charter requirements or enabling legislation; or (b) constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal ordinances or resolutions of the Board of Education, the District's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action as when imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Education, Superintendent and Treasurer have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that

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are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned – this is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

Interfund Transactions

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. For the fiscal year 2024, the District reported no extraordinary or special items.

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 on the financial statements and accompanying notes. Actual results may differ from those estimates.

Budgetary Process

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

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 in the budgetary statements reflect the amounts in the certificate when the permanent appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2024.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect

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the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

Bond Premiums

Bond premiums are amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable. Bond premiums are presented as an addition to the face amount of the bonds.

On the governmental fund financial statements, bond premiums are recognized in the period in which bonds are issued. The face amount of the debt issue is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources.

Deferred Charge on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

Pensions/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 (gain), 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.

Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Internal Service Fund, these revenues are charges for services for the self-insurance program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 3 – Accountability

At June 30, 2024, the following funds had deficit fund balances:

Lunchroom	\$11,301
Public School Preschool	23,731
Student Wellness and Success	419
Miscellaneous State Grant	1,538
ESSER	16,794
Title VI-B	32,053
Title I	39,660
Total	<u>\$125,496</u>

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The deficits in these funds are the result of the application of generally accepted accounting principles, the requirement to accrue liabilities when incurred, and the anticipation of state and federal grant funds for reimbursement of expenditures. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

Note 4 – Budgetary Basis of Accounting

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 budget basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget (non-GAAP basis) and actual is presented for the General Fund on the budget basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a restriction, commitment, or assignment of fund balance for governmental funds (GAAP basis).
4. Certain funds that are legally budgeted in separate special revenue funds are considered part of the General Fund on a GAAP basis. Certain custodial funds are also considered part of the General Fund on a GAAP basis. This includes the Uniform School Supplies, Principals Rotary, Employee Benefits Special Revenue Funds and the Unclaimed Monies Custodial Fund.

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund.

Net Change in Fund Balance	
GAAP Basis	\$2,263,745
Revenue Accruals	(837,832)
Expenditure Accruals	276,580
Encumbrances	(905,061)
(Excess) Deficit of Funds Combined with General Fund for Reporting Purposes	(10,791)
Budget Basis	<u>\$786,641</u>

Note 5 – Deposits and Investments

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts. Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must be either evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim moneys. Interim moneys are those moneys which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim

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

Public depositories must give security for all public funds on deposit. 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, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

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

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.

At June 30, 2024, the District's self-insurance internal service fund had a balance of \$1,152,492 with the Jefferson Health Plan, a claims servicing pool (see note 8). The money is held by the claims servicer in a pooled account which is representative of numerous entities and therefore cannot be classified by risk under GASB Statement 3. The classification of cash and cash equivalents and investments for the Jefferson Health Plan as a whole may be obtained from the Plan's fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Jefferson Health Plan, 2023 Sunset Boulevard, Steubenville, Ohio 43952.

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, the

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District's bank balance of \$3,116,023 was either covered by FDIC or collateralized by the financial institution's public entity deposit pool in the manner described below.

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 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments – As of June 30, 2024, the District had the following investments and maturities:

Investment Type	Fair Value	Maturity			% of Portfolio	Credit Rating
		< 1 Year	1-2 Years	3-5 Years		
Money Markets	\$38,497	\$38,497	\$0	\$0	0%	N/A
STAR Ohio	15,720,669	15,720,669	0	0	56%	AAAm
Negotiable CDs	11,951,866	4,091,754	3,922,554	3,937,558	44%	N/A
Total	<u>\$27,711,032</u>	<u>\$19,850,920</u>	<u>\$3,922,554</u>	<u>\$3,937,558</u>	<u>100%</u>	

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the District manages its exposure to declines in fair values by keeping the portfolio sufficiently liquid to enable the District to meet all operating requirements.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District limits its investments to money market funds, STAR Ohio, and negotiable certificates of deposit as described in Ohio Revised Code Section 135.143A(2).

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy allows investments in eligible securities as described in the Ohio Revised Code.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a policy for custodial credit risk. All of the District's investments are either insured and registered in the name of the District or at least registered in the name of the District.

Note 6 – Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar year 2024 represents collections of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed value listed as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-

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annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2024 represents collections of calendar year 2023 taxes. Public utility real and tangible personal property taxes received in calendar year 2024 became a lien December 31, 2022, were levied after April 1, 2023 and are collected in 2024 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Vinton, Gallia, Jackson and Hocking Counties. The County Auditors periodically advance to the District their portion of the taxes collected. Second-half real property tax payments collected by each county by June 30, 2024 are available to finance fiscal year 2024 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property and public utility taxes which became measurable as of June 30, 2024. Although total property tax collections for the fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations.

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.

The assessed values upon which the fiscal year 2024 taxes were collected are:

	2023 Second-Half Collections		2024 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$219,519,310	46.51%	\$220,848,980	45.24%
Public Utility Personal	252,466,310	53.49%	267,332,050	54.76%
Total Assessed Value	\$471,985,620	100.00%	\$488,181,030	100.00%
Tax Rate per \$1,000 of Assessed Valuation	\$19.50		\$19.50	

Note 7 – Receivables

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

<i>Nonmajor Funds:</i>	
Public School Preschool	\$48,582
Miscellaneous State Grants	5,749
ESSER	561,855
21 st Century	107,674
IDEA	103,192
Title I	154,639
Drug Free	20,442
Title II-A	15,000
Miscellaneous Federal Grants	17,558
Total	<u>\$1,034,691</u>

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Note 8 – Risk Management

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2024, the District contracted with Reed and Baur Insurance Agency for property and fleet insurance, liability insurance, and inland marine coverage. Public officials bonds are provided by Westfield Insurance, West Bend Insurance Company, and Hylant Administrative Services. coverages provided are as follows:

Building and Contents - replacement cost (\$2,500 deductible)	\$120,269,159
Computer and Funds Transfer Fraud Coverage (\$500 deductible)	250 ,000
Mobile Equipment (\$500 deductible)	221,432
Automobile Liability:	
Per Person/ Per Accident	1,000,000
Uninsured Motorists:	
Per Person/Per Accident	1,000,000
General Liability:	
Per Occurrence	\$1,000,000
Aggregate Limit	3,000,000
Public Official Bonds:	
Treasurer	100,000
Superintendent	20,000
Board President	50,000

Settled claims have not exceeded this commercial coverage in any of the past three years. The District reviewed its coverage and made adjustments where deemed necessary.

Workers' Compensation

For fiscal year 2024, the District participated in the Ohio SchoolComp Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (see note 18). 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. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sedgwick, Inc. provides administrative, cost control, and actuarial services to the GRP.

Employee Benefits

Beginning January 1, 2024, medical insurance is offered to employees through a self-insurance internal service fund. The District is a member of a claims servicing pool, consisting of 95 school districts within the State, in which monthly premiums for the cost of claims are remitted to the fiscal agent, Jefferson Health Plan, who in turn pays the claims on the District's behalf. The claims liability of \$568,084 reported in the internal service fund at June 30, 2024 is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," as amended by GASB Statement No. 30, "Risk Financing Omnibus." These standards require that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. The estimate was not affected by incremental claim adjustment expense and does not include other allocated or unallocated claim adjustment expenses.

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Changes in claims activity for the fiscal year is as follows:

Fiscal Year	Beginning Balance	Claims Incurred	Claims Payments	Ending Balance
2024	\$0	\$2,070,068	\$1,501,984	\$568,084

Note 9 – Capital Assets

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

Asset Category	Balance at 7/1/23	Additions	Deletions	Balance at 6/30/24
<i>Nondepreciable/Nonamortized Capital Assets:</i>				
Land	\$1,338,040	\$0	\$0	\$1,338,040
Construction in Progress	0	904,132	0	904,132
Total Nondepreciable/Nonamortized Capital Assets	1,338,040	904,132	0	2,242,172
<i>Depreciable/Amortized Capital Assets:</i>				
Land Improvements	10,294,068	1,869	0	10,295,937
Buildings and Improvements	61,871,059	148,962	(4,926)	62,015,095
Furniture, Fixtures and Equipment	4,095,687	59,038	0	4,154,725
Vehicles	3,837,935	388,953	(698,166)	3,528,722
Intangible Right to Use Leased Assets	255,333	0	0	255,333
Total Depreciable/Amortized Capital Assets	80,354,082	598,822	(703,092)	80,249,812
<i>Accumulated Depreciation/Amortization:</i>				
Land Improvements	(7,901,111)	(419,310)	0	(8,320,421)
Buildings and Improvements	(28,991,361)	(1,414,521)	4,029	(30,401,853)
Furniture, Fixtures and Equipment	(3,212,817)	(119,258)	0	(3,332,075)
Vehicles	(2,604,880)	(165,215)	628,345	(2,141,750)
Intangible Right to Use Leased Assets	(92,948)	(31,013)	0	(123,961)
Total Accumulated Depreciation	(42,803,117)	(2,149,317)	632,374	(44,320,060)
Depreciable/Amortized Capital Assets, Net	37,550,965	(1,550,495)	(70,718)	35,929,752
Total Net Capital Assets	\$38,889,005	(\$646,363)	(\$70,718)	\$38,171,924

Depreciation/Amortization expense was charged to governmental functions as follow:

<i>Instruction:</i>	
Regular	\$1,842,263
Special	53
Vocational	2,606
<i>Support Services:</i>	
Pupils	424
Instructional Staff	372
Administration	40
Operation and Maintenance	175,604
Pupil Transportation	123,554
Operation of Non-Instructional Services	4,401
Total	<u>\$2,149,317</u>

Note 10 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

The Ohio Revised Code limits the District's obligation for these liabilities 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 health care to eligible benefit recipients.

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

The remainder of this note includes the required pension disclosures. See note 11 for the required OPEB disclosures.

School Employees Retirement System (SERS)

Plan Description – District nonteaching 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.

Age and service requirements for retirement are as follows:

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	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 contributions to SERS were \$649,139 for fiscal year 2024. Of this amount, \$101,516 was reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

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

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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 50 and after termination of employment.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2024 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2024, the full employer contribution was allocated to pension.

The District's contractually required contributions to STRS were \$1,710,735 for fiscal year 2024. Of this amount, \$316,407 is reported as an intergovernmental payable.

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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>
Proportion of the Net Pension Liability			
Current Measurement Date	0.11367800%	0.086988650%	
Proportion of the Net Pension Liability			
Prior Measurement Date	<u>0.11310430%</u>	<u>0.086063550%</u>	
Change in Proportionate Share	<u>0.00057370%</u>	<u>0.000925100%</u>	
Proportionate Share of the Net			
Pension Liability	\$6,281,295	\$18,732,952	\$25,014,247
Pension Expense	\$646,763	\$1,353,690	\$2,000,453

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$269,986	\$682,962	\$952,948
Changes of assumptions	44,494	1,542,756	1,587,250
Changes in proportion and differences between District contributions and proportionate share of contributions	13,647	2,176	15,823
District contributions subsequent to the measurement date	<u>649,139</u>	<u>1,710,735</u>	<u>2,359,874</u>
Total Deferred Outflows of Resources	<u>\$977,266</u>	<u>\$3,938,629</u>	<u>\$4,915,895</u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$0	\$41,570	\$41,570
Changes of assumptions	0	1,161,254	1,161,254
Net difference between projected and actual earnings on pension plan investments	88,289	56,143	144,432
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>24,953</u>	<u>266,069</u>	<u>291,022</u>
Total Deferred Inflows of Resources	<u>\$113,242</u>	<u>\$1,525,036</u>	<u>\$1,638,278</u>

\$2,359,874 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 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:

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2025	\$30,039	(\$350,625)	(\$320,586)
2026	(230,794)	(707,839)	(938,633)
2027	410,957	1,861,242	2,272,199
2028	<u>4,683</u>	<u>(99,920)</u>	<u>(95,237)</u>
Total	<u>\$214,885</u>	<u>\$702,858</u>	<u>\$917,743</u>

Actuarial Assumptions - SERS

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

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

Inflation	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.00 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

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

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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	<u>100.00%</u>	

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$9,270,870	\$6,281,295	\$3,763,147

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Actuarial Assumptions - STRS

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

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

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

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:

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

*Target allocation percentage is effective July 1, 2022. Target weights were phased in over a 3 month period concluding on October 1, 2022.

**10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent. 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

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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 District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$28,807,133	\$18,732,952	\$10,212,950

Note 11 – Postemployment Benefits

See note 10 for a description of the net OPEB liability (asset).

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 health care 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.

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

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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 \$79,532.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS for health care was \$79,532 for fiscal year 2024. Of this amount, \$79,532 was reported as an intergovernmental payable.

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 Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 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 (gain):

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset)			
Current Measurement Date	0.11708970%	0.086988650%	
Proportion of the Net OPEB Liability (Asset)			
Prior Measurement Date	0.11599450%	0.086063550%	
Change in Proportionate Share	<u>0.00109520%</u>	<u>0.000925100%</u>	
Proportionate Share of the Net OPEB Liability	\$1,928,989	\$0	\$1,928,989
Proportionate Share of the Net OPEB Asset	\$0	(\$1,691,809)	(\$1,691,809)
OPEB Expense (Gain)	(\$163,101)	(\$117,772)	(\$280,873)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$4,018	\$2,638	\$6,656
Changes of assumptions	652,249	249,228	901,477
Net difference between projected and actual earnings on pension plan investments	14,952	3,021	17,973
Changes in proportionate share and difference between District contributions and proportionate share of contributions	118,344	295	118,639
District contributions subsequent to the measurement date	<u>79,532</u>	<u>0</u>	<u>79,532</u>
Total Deferred Outflows of Resources	<u>\$869,095</u>	<u>\$255,182</u>	<u>\$1,124,277</u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$994,851	\$258,040	\$1,252,891
Changes of assumptions	547,851	1,116,231	1,664,082
Changes in proportionate share and difference between District contributions and proportionate share of contributions	<u>142,848</u>	<u>35,385</u>	<u>178,233</u>
Total Deferred Inflows of Resources	<u>\$1,685,550</u>	<u>\$1,409,656</u>	<u>\$3,095,206</u>

\$79,532 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or increase in the net OPEB asset in the fiscal 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 (gain) as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2025	(\$301,629)	(\$526,073)	(\$827,702)
2026	(245,271)	(229,432)	(474,703)
2027	(145,677)	(87,873)	(233,550)
2028	(96,756)	(118,510)	(215,266)
2029	(80,300)	(108,627)	(188,927)
Thereafter	<u>(26,354)</u>	<u>(83,959)</u>	<u>(110,313)</u>
Total	<u>(\$895,987)</u>	<u>(\$1,154,474)</u>	<u>(\$2,050,461)</u>

Actuarial Assumptions - SERS

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

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

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

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

Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent, net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2048
Municipal Bond Index Rate:	
Measurement Date	3.86 percent
Prior Measurement Date	3.69 percent
Single Equivalent Interest Rate:	
Measurement Date	4.27 percent
Prior Measurement Date	4.08 percent
Health Care Cost Trend Rate	
Medical Trend Assumption:	
Measurement Date	6.75 percent to 4.40 percent
Prior Measurement Date	7.00 percent to 4.40 percent

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

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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 Assets/Real Assets	17.00%	3.70%
Private Debt/Private Credit	5.00%	5.64%
Total	100.00%	

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.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) 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%)
District's proportionate share of the net OPEB liability	\$2,465,799	\$1,928,989	\$1,505,691
	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%)
District's proportionate share of the net OPEB liability	\$1,417,161	\$1,928,989	\$2,607,229

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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 percent to 8.50 percent	Varies by service from 2.50 percent to 8.50 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent	3.00 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends:		
Medical:		
Pre-Medicare	7.50 percent initial, 4.14 percent ultimate	7.50 percent initial, 3.94 percent ultimate
Medicare	-10.94 percent initial, 4.14 percent ultimate	-68.78 percent initial, 3.94 percent ultimate
Prescription Drug:		
Pre-Medicare	-11.95 percent initial, 4.14 percent ultimate	9.00 percent initial, 3.94 percent ultimate
Medicare	1.33 percent initial, 4.14 percent ultimate	-5.47 percent initial, 3.94 percent ultimate

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

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	<u>100.00 %</u>	

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*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 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 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 District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 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.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net OPEB asset	(\$1,431,895)	(\$1,691,809)	(\$1,918,167)

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	(\$1,928,671)	(\$1,691,809)	(\$1,406,513)

Note 12 – Employee Benefits

Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators do not earn vacation time, with the exception of the Superintendent, Treasurer, Assistant Superintendent, Assistant Treasurers, Account Clerk, Transportation Coordinator, and Maintenance Supervisor. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Classified employees who retire after 6 years of service shall be paid one-fourth of accrued sick leave up to a maximum of 66 days for fiscal year 2023, 67 days for fiscal year 2024, and 68 days for fiscal year 2025. Classified employees who retire after 25 years of service shall be paid one-third of accrued sick leave up to a maximum of 66 days in fiscal year 2023, 67 days in fiscal year 2024, and 68 days in fiscal year 2025. Teachers receive a payment of 25 percent of accumulated sick leave up to a maximum of 52 days for fiscal year 2023, 53 days for fiscal year 2024, and 54 days for fiscal year 2025. Administrative employees receive one-fourth of accrued sick leave up to a maximum number of days as specified within their contracts.

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Retirement Incentive

The District Board of Education approved a Retirement Incentive Program. Participation is open to members of the Vinton Local Teachers Association the year in which the member first attains thirty years of service credit with STRS. A teacher who retires with thirty (30) years but less than thirty-one (31) years of service according to STRS rules, is eligible for a severance bonus of \$40,000. To be eligible, the teacher must file a letter with the Treasurer stating (1) retirement effective date, and (2) amount of severance bonus applied for by January 1 for a teacher retiring at the end of a school year, and if a teacher is retiring mid-year the letter must be filed 6 months before the retirement date. The retirement incentive program is a part of the negotiated union contract.

In May 2015, the District approved a modification to this plan where beginning with fiscal year 2016, all retirees eligible for the early retirement incentive bonus must defer the \$40,000 based upon the memorandum of understanding. The District will pay this amount as a one-time payment into a 403(b) plan for the retiring teacher in the January following the retirement date. The District may not make this payment directly to the retiring/retired teacher.

One District employee was eligible for or received a retirement incentive payment during fiscal year 2024.

Health, Prescription, Dental and Life Insurance

Dental insurance benefits are provided through a policy with SEOVEC Dental and life insurance is with MEC.

Until December 31, 2023, the District provided health and prescription benefits to its employees through a fully funded policy with United Health Care. Beginning January 1, 2024, the District provides medical insurance through the Jefferson Health Plan (see note 8).

Note 13 – Long-Term Obligations

Changes in the long-term obligations of the District during fiscal year 2024 were as follows:

	Principal Outstanding at 7/1/23	Additions	Deletions	Principal Outstanding at 6/30/24	Amount Due in One Year
2021 GO Refunding Bonds					
GO Refunding Bonds	\$1,833,000	\$0	(\$172,000)	\$1,661,000	\$175,000
GO Refunding Bonds Premium	204,000	0	(20,571)	183,429	0
2017 Energy Conservation Notes	155,000	0	(155,000)	0	0
2019 Bus Notes	191,200	0	(94,700)	96,500	96,500
Total Bonds and Notes	2,383,200	0	(442,271)	1,940,929	271,500
Leases Payable	91,704	0	(54,278)	37,426	37,426
Compensated Absences	1,402,469	944,871	(817,832)	1,529,508	146,510
Net Pension Liability	25,249,596	0	(235,349)	25,014,247	0
Net OPEB Liability	1,628,575	300,414	0	1,928,989	0
Total Long-Term Obligations	<u>\$30,755,544</u>	<u>\$1,245,285</u>	<u>(\$1,549,730)</u>	<u>\$30,451,099</u>	<u>\$455,436</u>

2021 Refunding Bonds – In September 2021, the District issued \$1,995,000 in current refunding balances to refund the remaining outstanding bonds of the 2013 Refunding Bonds issues. Since these bonds refunded previous refunding bonds, the unamortized premium and deferred charge transferred to this issuance and continue to be amortized over the life of the new issuance. These balances carried forward to the new bonds were \$245,142 and \$100,403, respectively. The amortization for fiscal year 2024 for these amounts were \$20,571 and \$8,367, respectively. These bonds were issued at an interest rate of 1.39% and will mature on December 1, 2032.

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2017 Energy Conversion Notes – The District issued energy conservation notes on May 3, 2017 for \$960,000 for the purpose of purchasing and installing energy conservation measures. This note carries a 2.09 percent interest rate. Semi-annual interest payments and annual principal payments are required beginning December 1, 2017 until the maturity date of December 1, 2023. This note will be repaid from the Bond Retirement Fund.

2019 Bus Notes – The District issued general obligation notes on August 22, 2019 for \$462,500 for the purpose of purchasing buses. This note carries a 1.9 percent interest rate. Semi-annual interest payments and annual principal payments are required beginning December 1, 2020 until the maturity date of December 1, 2024. This note will be repaid from the Bond Retirement Fund.

Principal and interest requirements to retire the refunding bonds outstanding at June 30, 2024 are as follows:

Fiscal Year Ending June 30,	2021 GO Refunding Bonds		
	Principal	Interest	Total
2025	\$175,000	\$21,872	\$196,872
2026	177,000	19,426	196,426
2027	180,000	16,944	196,944
2028	182,000	14,428	196,428
2029	184,000	11,885	195,885
2030-2033	763,000	21,551	784,551
Totals	<u>\$1,661,000</u>	<u>\$106,106</u>	<u>\$1,767,106</u>

The annual requirements to retire notes outstanding at June 30, 2024 are as follows:

Fiscal Year Ending June 30,	Bus Notes		
	Principal	Interest	Total
2025	\$96,500	\$917	\$97,417
Totals	<u>\$96,500</u>	<u>\$917</u>	<u>\$97,417</u>

Leases Payable – In prior fiscal years, the District entered into leases for copier equipment. These leases provided funds to buy out a previous lease in addition to the provision of new copiers. Due to the implementation of GASB 87, these leases have met the criteria of a lease thus requiring it to be recorded by the District. Lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. Principal payments are being made from the general fund. However, these expenditures are reported as current expenditures on the budgetary statement.

Fiscal Year Ending June 30,	Leases Payable		
	Principal	Interest	Total
2025	\$37,426	\$1,354	\$38,780
Totals	<u>\$37,426</u>	<u>\$1,354</u>	<u>\$38,780</u>

Compensated absences and retirement incentives are paid from the General Fund. The District pays obligations related to employee compensation from the fund benefitting from their service.

The District's voted legal debt margin was \$43,244,113 with an unvoted debt margin of \$488,181 at June 30, 2024.

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Note 14 – Interfund Activity

Interfund Receivables/Payables

As of June 30, 2024, receivables and payables that resulted from various interfund transactions were as follows:

	Interfund Receivable	Interfund Payable
<i>Major Fund:</i>		
General	\$472,357	\$0
<i>Nonmajor Funds:</i>		
Preschool	0	20,766
Miscellaneous State Grants	0	2,288
ESSER	0	251,609
21 st Century	0	49,059
Title VI-B	0	36,152
Title I	0	59,759
Drug Free Schools	0	16,312
Title II-A	0	12,625
Miscellaneous Federal Grants	0	17,558
Total Other Governmental Funds	0	466,128
Internal Service Fund	0	6,229
Total	\$472,357	\$472,357

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made.

Transfers

The District transferred \$506,376 from the general fund to the debt service fund for debt payments.

Note 15 – Statutory Set-Asides

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

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

	Capital Acquisition
Set-Aside Balance as of June 30, 2023	\$0
Current Year Set-Aside Requirement	363,951
Current Year Offsets	(214,288)
Qualifying Disbursements	(149,663)
Totals	\$0
Set-Aside Balance as of June 30, 2024	\$0
Total Restricted Assets	\$0

Vinton County Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Although the District had qualifying expenditures during the fiscal year that reduced the capital improvements set-aside amount below zero. For the capital improvements set-aside, this amount may not be used to reduce the set-aside requirements of future years. Therefore, qualifying expenditures reported were limited to the set-aside requirement and a negative balance was not presented.

Note 16 – 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 governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	General	Other Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>			
Prepays	\$95,652	\$0	\$95,652
Unclaimed Monies	875	0	875
Total Nonspendable	96,527	0	96,527
<i>Restricted</i>			
Athletics	0	10,788	10,788
Student Activities	0	146,798	146,798
Facilities Maintenance	0	72,189	72,189
Intermediate Grants	0	40,128	40,128
Management Information Systems	0	3,287	3,287
School Net	0	395	395
Debt Service	0	1,360,438	1,360,438
Capital Projects	0	11,414	11,414
Total Restricted	0	1,645,437	1,645,437
<i>Committed</i>			
Services and Supplies	259,302	0	259,302
Employee Benefits	68,538	0	68,538
Total Assigned	327,840	0	327,840
<i>Assigned</i>			
Services and Supplies	423,366	0	423,366
Subsequent Budget Deficit	203,792	0	203,792
Principals Rotary	135,847	0	135,847
Total Assigned	763,005	0	763,005
<i>Unassigned (Deficit)</i>	25,850,149	(125,496)	25,724,653
Total Fund Balances	\$27,037,521	\$1,519,941	\$28,557,462

Vinton County Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 17 – Commitments

Encumbrances

At June 30, 2024, the District had encumbrance commitments in governmental funds as follows:

<i>Major Fund</i>	
General	\$905,232
<i>Nonmajor Funds</i>	
Food Service	10,088
Other Grants	606
Classroom Facilities Maintenance	51,128
Student Activities	7,386
Athletics	2,218
ESSER	521,872
21 st Century	34,649
Title VI-B	1,906
Title I	696
Drug Free	11,748
Total Nonmajor Funds	<u>642,297</u>
Total Encumbrances	<u>\$1,547,529</u>

Note 18 – Jointly Governed Organizations and Insurance Purchasing Pool

Jointly Governed Organizations

Metropolitan Educational Technology Association (META) Solutions

META Solutions is an educational solutions partner providing services across Ohio. META Solutions provides cost-effective fiscal, network, technology and student services, a purchasing cooperative, and other individual services based on each client's needs.

The governing board of META Solutions consists of a president, vice president and six board members who represent the members of META Solutions. The board works with META Solutions' Chief Executive Officer, Chief Operating Officer, an Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to its representation on the Board. The District paid META Solutions \$160,402 for services provided during the fiscal year. Financial information can be obtained from Ashley Widby, Chief Financial Officer, at 100 Executive Drive, Marion, Ohio 43302.

Gallia-Vinton Educational Service Center

The Gallia-Vinton Educational Service Center is a jointly governed organization providing educational services to its two participating school districts. The Educational Service Center is governed by a board of education comprised of eight members appointed by the participating schools. The board controls the financial activity of the Educational Service Center and reports to the Ohio Department of Education and the Auditor of State. The continued existence of the Educational Service Center is not dependent on the District's continued participation and no equity interest exists. During fiscal year 2024, the District paid the Educational Service Center \$371,722 for Occupational Therapy, aide, and other services. To obtain financial information, write to the Gallia-Vinton Educational Service Center, P.O. Box 178, Rio Grande, Ohio 45674.

Vinton County Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Gallia-Jackson-Vinton Joint Vocational School District

The Gallia-Jackson-Vinton Joint Vocational School is a jointly governed organization providing vocational services to its six participating school districts. The Joint Vocational School is governed by a board of education comprised of nine members appointed by the participating schools. The board controls the financial activity of the Joint Vocational School and reports to the Ohio Department of Education and the Auditor of State. The continued existence of the Joint Vocational School is not dependent on the District's continued participation and no equity interest exists. During fiscal year 2024, the District paid the Joint Vocational School \$9,000 for excess costs for special education services. To obtain financial information, write to the Gallia-Jackson-Vinton Joint Vocational School, P.O. Box 157, Rio Grande, Ohio 45674.

State Support Team - Region 16

The State Support Team - Region 16 (SST) is a special education service center which selects its own board, adopts its own budget and receives direct Federal and State grants for its operation. The jointly governed organization was formed for the purpose of initiating, expanding and improving special education programs and services for children with disabilities and their parents.

The SST is governed by a board composed of superintendents of participating schools, parents of children with disabilities, representatives of chartered nonpublic schools, representatives of county boards of DD, Ohio University and the Southeast Regional Professional Development Center whose terms rotate every year. The degree of control exercised by any participating school district is limited to its representation on the Board. The Superintendent of the District is on the SST Board and the District also has a local representative that serves as an alternate for the SST Board. Financial information can be obtained by contacting Kevin Simons, Treasurer, at the Athens-Meigs Educational Service Center, PO Box 40, Chauncey, Ohio 45719.

The Ohio Coalition of Equity and Adequacy of School Funding

The Ohio Coalition of Equity and Adequacy of School Funding is organized as a council of governments pursuant to Chapter 167 of the Ohio Revised Code. The Coalition was organized in 1990 to challenge the constitutionality of the Ohio school funding system. The Coalition is governed by a Steering Committee of 90 school district representatives. Though most of the members are superintendents, some treasurers, board members, and administrators also serve. Several persons serve as ex officio members. The membership of the Coalition includes over 500 school districts throughout the State of Ohio. The Committee exercises total control over budgeting, appropriating, contracting, and the designation of management. Member school districts and joint vocational schools pay dues to \$0.05 per pupil. School districts and joint vocational schools may also pay supplemental dues in the amount of \$0.50 per pupil for K-12 districts and educational service centers pay dues of \$0.05 per pupil. The Coalition is not dependent on the continued participation of the District and the District does not maintain an equity interest or financial responsibility for the Coalition. During fiscal year 2024, the District paid \$881 to the Coalition. To obtain financial information, write to the Ohio Coalition of Equity and Adequacy of School Funding at 100 South Third Street, Columbus, Ohio 43215.

Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools (CORAS) is a jointly governed organization composed of over 130 school districts and other educational institutions in the 35-county region of Ohio designated as Appalachia. The Coalition is operated by a board which is composed of seventeen members; one elected and one appointed from each of the seven regions into which the 35 Appalachian counties are divided, and three from Ohio University College of Education. The board exercises total control over the operations of CORAS including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the board. The Coalition provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other

Vinton County Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent on the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for the Coalition. During fiscal year 2024, the District made a payment of \$400 for a membership fee. Financial information may be obtained from the Coalition of Rural and Appalachian Schools at Lindley Hall Room 200, Ohio University, Athens, Ohio 45701.

Public Entities Risk Pool

Jefferson Health Plan

The District participates in the Jefferson Health Plan (the Plan), a risk-sharing, claims servicing, and insurance purchasing pool comprised of over two hundred members, including multiple insurance consortiums. Each participant appoints a member of the Plan's assembly. The Plan's business and affairs are conducted by a nine-member Board of Directors elected from the assembly. The Plan offers medical, dental, vision, and prescription drug coverage to the members on a self-insured basis, as well as the opportunity to participate in the group purchasing of life insurance coverage. The medical coverage plan provides each plan participant the opportunity to choose a self-insurance deductible limit which can range from \$35,000 to \$300,000 under which the individual member is responsible for all claims through the claims servicing pool. Plan participants also participate in a shared risk internal pool for individual claims between the self-insurance deductible limit and \$1,500,000, and all claims between the deductible and the \$1,500,000 are paid from the internal shared risk pool. The internal pool is not owned by the plan participants.

All participants pay a funding rate that is actuarially calculated based on the participants' actual claims experience which are utilized for the payment of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. All participants pay an additional fee for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool pays dividends to the participants. For all individual claims exceeding \$1,500,000, excess stop loss coverage is purchased, as well as for an annual total plan aggregate claims amount. All plan participants also pay a monthly administrative fee for fiscal services and third-party administrative services.

Jefferson County Educational Service Center serves as fiscal agent. To obtain financial information write to the Center, at 2023 Sunset Boulevard, Steubenville, Ohio 43952.

Insurance Purchasing Pool

Ohio SchoolComp 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 Ohio SchoolComp Workers' Compensation Group Rating Plan (GRP) was established as a group insurance purchasing pool. The GRP's business and affairs are conducted by a five member Board of Directors. Each fiscal year, the participants pay an enrollment fee to the GRP to cover the costs of administering the program.

Note 19 – Contingencies

Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could

Vinton County Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2024, if applicable, cannot be determined at this time.

State Foundation Funding

School District Foundation funding is 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. DEW has finalized the impact of enrollment adjustments to the June 30, 2024 foundation funding for the District. The adjustments did not have a significant impact on the School District's funding.

Litigation

The District is not currently party to legal proceedings.

Note 20 – Subsequent Event

The District approved a paving project in May 2024, which not begin until July of 2024. The District also created a capital project fund in fiscal year 2025 with transfers from the general fund in the amount of \$8,000,000 to fund projects identified in their ten year maintenance plan.

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Vinton County Local School District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<i>State Teachers Retirement System</i>										
District's proportion of the net pension liability	0.094717360%	0.091123150%	0.091679980%	0.092820750%	0.087999620%	0.087488090%	0.085688070%	0.086230592%	0.086063550%	0.086988650%
District's proportionate share of the net pension liability	\$23,038,540	\$25,183,764	\$30,688,053	\$22,049,768	\$19,349,141	\$19,347,465	\$20,733,464	\$11,025,356	\$19,132,036	\$18,732,952
District's covered payroll	\$9,679,500	\$9,629,029	\$9,743,657	\$10,067,714	\$10,037,971	\$10,271,007	\$9,482,400	\$9,939,314	\$10,110,386	\$10,961,721
District's proportionate share of the net pension liability as a percentage of its covered payroll	238.0%	261.5%	315.0%	219.0%	192.8%	188.4%	218.7%	110.9%	189.2%	170.9%
Plan fiduciary net position as a percentage of the total pension liability	74.7%	72.1%	72.1%	75.3%	77.3%	77.4%	75.5%	87.8%	78.9%	80.0%
<i>School Employees Retirement System</i>										
District's proportion of the net pension liability	0.11196399%	0.11476650%	0.11331640%	0.11495700%	0.10667430%	0.10827810%	0.10885150%	0.11437020%	0.11310430%	0.11367800%
District's proportionate share of the net pension liability	\$5,666,434	\$6,548,688	\$8,293,715	\$6,868,427	\$6,109,435	\$6,478,469	\$7,199,668	\$4,219,929	\$6,117,560	\$6,281,295
District's covered payroll	\$4,192,115	\$4,142,056	\$4,286,743	\$4,060,800	\$3,351,844	\$3,498,267	\$3,605,186	\$3,815,907	\$4,197,521	\$4,433,921
District's proportionate share of the net pension liability as a percentage of its covered payroll	135.2%	158.1%	193.5%	169.1%	182.3%	185.2%	199.7%	110.6%	145.7%	141.7%
Plan fiduciary net position as a percentage of the total pension liability	71.7%	69.2%	69.2%	69.5%	71.4%	70.9%	68.6%	82.9%	75.8%	76.1%

The amounts presented are as of the District's measurement date, which is the prior fiscal year end.
See accompanying notes to the required supplementary information.

Vinton County Local School District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB Liability (Asset)
Last Eight Fiscal Years

	2017	2018	2019	2020	2021	2022	2023	2024
<i>State Teachers Retirement System</i>								
District's proportion of the net OPEB liability (asset)	0.091679980%	0.092820800%	0.087999620%	0.087488090%	0.085688070%	0.086230592%	0.086063550%	0.086988650%
District's proportionate share of the net OPEB liability (asset)	\$4,964,078	\$3,621,523	(\$1,414,064)	(\$1,449,013)	(\$1,505,966)	(\$1,818,101)	(\$2,228,471)	(\$1,691,809)
District's covered payroll	\$9,743,657	\$10,067,714	\$10,037,971	\$10,271,007	\$9,482,400	\$9,939,314	\$10,110,386	\$10,961,721
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	50.9%	36.0%	-14.1%	-14.1%	-15.9%	-18.3%	-22.0%	-15.4%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	37.3%	47.1%	176.0%	174.7%	182.1%	174.7%	230.7%	168.5%
<i>School Employees Retirement System</i>								
District's proportion of the net OPEB liability	0.11331640%	0.11691710%	0.10840910%	0.11121330%	0.11243770%	0.11818620%	0.11599450%	0.11708970%
District's proportionate share of the net OPEB liability	\$3,332,570	\$3,137,748	\$3,007,561	\$2,796,781	\$2,443,639	\$2,236,771	\$1,628,575	\$1,928,989
District's covered payroll	\$4,286,743	\$4,060,800	\$3,351,844	\$3,498,267	\$3,605,186	\$3,815,907	\$4,197,521	\$4,433,921
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	77.7%	77.3%	89.7%	79.9%	67.8%	58.6%	38.8%	43.5%
Plan fiduciary net position as a percentage of the total OPEB liability	11.5%	12.5%	13.6%	15.6%	18.2%	24.1%	30.3%	30.0%

The amounts presented are as of the District's measurement date, which is the prior fiscal year end.

Information not available prior to 2017.

See accompanying notes to the required supplementary information.

Vinton County Local School District
Required Supplementary Information
Schedule of District Contributions
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<i>State Teachers Retirement System</i>										
Contractually required contribution - pension	\$1,348,064	\$1,364,112	\$1,409,480	\$1,405,316	\$1,437,941	\$1,327,536	\$1,391,504	\$1,415,454	\$1,534,641	\$1,710,735
Contractually required contribution - OPEB	0	0	0	0	0	0	0	0	0	0
Contractually required contribution - total	1,348,064	1,364,112	1,409,480	1,405,316	1,437,941	1,327,536	1,391,504	1,415,454	1,534,641	1,710,735
Contributions in relation to the contractually required contribution	1,348,064	1,364,112	1,409,480	1,405,316	1,437,941	1,327,536	1,391,504	1,415,454	1,534,641	1,710,735
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District's covered payroll	\$9,629,029	\$9,743,657	\$10,067,714	\$10,037,971	\$10,271,007	\$9,482,400	\$9,939,314	\$10,110,386	\$10,961,721	\$12,219,536
Contributions as a percentage of covered payroll - pension	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered payroll - OPEB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
<i>School Employees Retirement System</i>										
Contractually required contribution - pension	\$545,923	\$600,144	\$568,512	\$452,499	\$472,266	\$504,726	\$534,227	\$587,653	\$620,749	\$649,139
Contractually required contribution - OPEB (1)	33,965	0	0	16,759	17,491	0	0	0	0	0
Contractually required contribution - total	579,888	600,144	568,512	469,258	489,757	504,726	534,227	587,653	620,749	649,139
Contributions in relation to the contractually required contribution	579,888	600,144	568,512	469,258	489,757	504,726	534,227	587,653	620,749	649,139
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
District's covered payroll	\$4,142,056	\$4,286,743	\$4,060,800	\$3,351,844	\$3,498,267	\$3,605,186	\$3,815,907	\$4,197,521	\$4,433,921	\$4,636,707
Contributions as a percentage of covered payroll - pension	13.18%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered payroll - OPEB	0.82%	0.00%	0.00%	0.50%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

(1) Excludes surcharge.

See the accompanying notes to the required supplementary information.

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Vinton County Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

State Teachers Retirement System

Pension

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2015 through 2017. For fiscal year 2018, the cost of living adjustment (COLA) was reduced to 0 percent effective July 1, 2017. There were no changes to benefit terms for fiscal years 2019 through 2024.

Changes in assumptions

There were no changes in assumptions for fiscal years 2015 through 2017.

For fiscal year 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Inflation assumptions were lowered from 2.75 percent to 2.5 percent.
- Investment return assumptions were lowered from 7.75 percent to 7.45 percent.
- Total salary increases rates were lowered by decreasing merit component of the individual salary increases, as well as by 0.25 percent due to lower inflation.
- Payroll growth assumptions were lowered from 3.5 percent to 3.0 percent.
- Updated the health and disability mortality assumption to the RP-2014 mortality tables with generational improvement scale MP-2016.
- Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

There were no changes in assumptions for fiscal years 2019 through 2021.

For fiscal year 2022, the following was the most significant change of assumptions that affected the total pension liability since the prior measurement date:

- Investment rate of return and discount rate of return assumptions were lowered from 7.45 percent to 7.0 percent.

For fiscal year 2023, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Updated the health and disability mortality assumption to the PUB-2010 mortality tables with generational improvement scale MP-2020.
- The projected salary increases changed from 12.50 percent at age 20 to 2.50 percent at age 65 to varying by service from 2.50 percent to 8.50 percent.

There were no changes in assumptions for fiscal year 2024.

OPEB

Changes in benefit terms

There were no changes to benefit terms for fiscal year 2017.

For fiscal year 2018, STRS has the following changes in benefit terms since the previous measurement date:

- The HealthSpan HMO plans were eliminated.

Vinton County Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

- The subsidy multiplier for non-Medicare benefit recipients was reduced to 1.9 percent per year of service from 2.1 percent.
- Medicare Part B premium reimbursements were discontinued for survivors and beneficiaries who were age 65 by 2008 and either receiving a benefit or named as a beneficiary as of January 1, 2008.
- The remaining Medicare Part B premium reimbursements will be phased out over a three-year period.

For fiscal year 2019, the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The subsidy multiplier for non-Medicare benefit recipients increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020, though the STRS Board voted in June 2019 to extend the current Medicare Part B partial reimbursement for one year.

For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% 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.

For fiscal year 2021, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

There were no changes to benefit terms for fiscal years 2023 and 2024.

Changes in assumptions

There were no changes in assumptions for fiscal year 2017.

For fiscal year 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB 74.
- The long-term rate of return was reduced to 7.45 percent.
- Valuation-year per capita health costs were updated.
- The percentage of future retirees electing each option was updated based on current data.
- The assumed future trend rates were modified.
- Decrement rates including mortality, disability, retirement, and withdrawal were modified.
- The assumed percentage of future disabled retirees assumed to elect health coverage was decreased from 84 percent to 65 percent, and the assumed percentage of terminated vested participants assumed to elect health coverage at retirement was decreased from 47 percent to 30 percent.

Vinton County Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

- The assumed salary scale was modified.

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate increased from a 4.13 percent blended discount rate to 7.45 percent.
- The health care trend assumption rate changed from 6 to 11 percent initial, 4.5 percent ultimate to:
 - Medical Medicare – 5 percent initial, 4 percent ultimate
 - Medical Pre-Medicare – 6 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – -5.23 percent initial, 4 percent ultimate
 - Prescription Drug Pre-Medicare – 8 percent initial, 4 percent ultimate

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
 - Medical Medicare – from 5 percent to 4.93 percent initial, 4 percent ultimate
 - Medical Pre-Medicare – from 6 percent to 5.87 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – from -5.23 percent to 9.62 percent initial, 4 percent ultimate
 - Prescription Drug Pre-Medicare – from 8 percent to 7.73 initial, 4 percent ultimate

For fiscal year 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
 - Medical Medicare – from 4.93 percent to -6.69 percent initial, 4 percent ultimate
 - Medical Pre-Medicare – from 5.87 percent to 5 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – from 9.62 percent to 11.87 percent initial, 4 percent ultimate
 - Prescription Drug Pre-Medicare – from 7.73 percent to 6.5 initial, 4 percent ultimate

For fiscal year 2022, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate increased from 7.45 percent to 7.0 percent.
- The health care trend assumption rate changed as follows:
 - Medical Medicare – from -6.69 percent initial, 4 percent ultimate to -16.18 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – from 11.87 percent initial, 4 percent ultimate to 29.98 percent initial, 4 percent ultimate

For fiscal year 2023, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
 - Medical Pre-Medicare – from 5.00 percent initial, 4 percent ultimate to 7.50 percent initial, 3.94 percent ultimate
 - Medical Medicare – from -16.18 percent initial, 4 percent ultimate to -68.78 percent initial, 3.94 percent ultimate
 - Prescription Drug Pre-Medicare – from 6.50 percent initial, 4 percent ultimate to 9.00 percent initial, 3.94 percent ultimate
 - Prescription Drug Medicare – from 29.98 percent initial, 4 percent ultimate to -5.47 percent initial, 3.94 percent ultimate
- Updated the health and disability mortality assumption to the PUB-2010 mortality tables with generational improvement scale MP-2020.

Vinton County Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

- The projected salary increases changed from 12.50 percent at age 20 to 2.50 percent at age 65 to varying by service from 2.50 percent to 8.50 percent.

For fiscal year 2024, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
 - Medical Pre-Medicare – from 7.50 percent initial, 3.94 percent ultimate to 7.50 percent initial, 4.14 percent ultimate
 - Medical Medicare – from -68.78 percent initial, 3.94 percent ultimate to -10.94 percent initial, 4.14 percent ultimate
 - Prescription Drug Pre-Medicare – from 9.00 percent initial, 3.94 percent ultimate to -11.95 percent initial, 4.14 percent ultimate
 - Prescription Drug Medicare – from -5.47 percent initial, 3.94 percent ultimate to 1.33 percent initial, 4.14 percent ultimate

School Employees Retirement System

Pension

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2015 through 2017.

For fiscal year 2018, the following were the most significant changes in benefit that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.5 percent with a floor of 0 percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendars 2018, 2019, and 2020.

There were no changes to benefit terms for fiscal years 2019 through 2021.

For fiscal year 2022, the following was the most significant change in benefit that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from 2.5 percent to 2.0 percent.

For fiscal year 2023, the following was the most significant change in benefit that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from 2.0 percent to 2.5 percent.

There were no changes to benefit terms for fiscal year 2024.

Changes in assumptions

There were no changes in assumptions for fiscal years 2015 through 2017.

For fiscal year 2018, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2016 and prior are presented below:

- Assumed rate of inflation was reduced from 3.25 percent to 3.0 percent

Vinton County Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

- Payroll Growth Assumption was reduced from 4.0 percent to 3.5 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.5 percent
- Investment rate of return was reduced from 7.75 percent to 7.5 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. The above rates represent the base rates used.
- 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 percent of male rates, and 110 percent of female rates.
- Mortality among disabled member was updated to the following:
 - RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

There were no changes in assumptions for fiscal years 2019 through 2021.

For fiscal year 2022, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

- Assumed rate of inflation was reduced from 3.0 percent to 2.4 percent
- Payroll Growth Assumption was reduced from 3.5 percent to 3.25 percent
- Investment rate of return was reduced from 7.5 percent to 7.0 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among members was updated to the following:
 - PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females.
- Mortality among disabled members was updated to the following:
 - 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.

There were no changes in assumptions for fiscal years 2023 and 2024.

OPEB

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2017 through 2024.

Changes in assumptions

For fiscal year 2017, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- Assumed rate of inflation was reduced from 3.25 percent to 3.0 percent
- Payroll growth assumption was reduced from 4.0 percent to 3.5 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.5 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females.
- Mortality among service retired members, and beneficiaries was updated to the following:

Vinton County Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

- RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates.
- Mortality among disabled members was updated to the following:
 - RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

For fiscal year 2018, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 2.98 percent to 3.63 percent.
- The municipal bond index rate increased from 2.92 percent to 3.56 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98 percent to 3.63 percent.

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was changed from 3.63 percent to 3.70 percent.
- The municipal bond index rate increased from 3.56 percent to 3.62 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63 percent to 3.70 percent.
- The medical trend assumption rate changed as follows:
 - Medicare – 2018 – 5.50 to 5.00 percent, 2019 – 5.375 to 4.75 percent
 - Pre-Medicare – 2018 – 7.50 to 5.00 percent, 2019 – 7.25 to 4.75

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.62 percent to 3.13 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70 percent to 3.22 percent.
- The medical trend assumption rate changed as follows:
 - Medicare – 2019 – 5.375 to 4.75 percent, 2020 – 5.25 to 4.75 percent
 - Pre-Medicare – 2019 – 7.25 to 4.75, 2020 – 7 to 4.75 percent

For fiscal year 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.13 percent to 2.45 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22 percent to 2.63 percent.

For fiscal year 2022, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The inflation rate decreased from 3.0 percent to 2.4 percent.
- Projected salary increases decreased from 3.5 percent to 3.25 percent.
- Investment rate of return decreased from 7.5 percent to 7.0 percent.
- The municipal bond index rate decreased from 2.45 percent to 1.92 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 2.63 percent to 2.27 percent.

Vinton County Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

- The medical trend assumption rate changed as follows:
 - Medicare – 2020 – 5.25 to 4.75 percent, 2022 – 5.125 to 4.4 percent
 - Pre-Medicare – 2020 – 7 to 4.75 percent, 2022 – 6.75 to 4.4 percent
- Mortality among members was updated to the following:
 - PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females.
- Mortality among disabled members was updated to the following:
 - 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.

For fiscal year 2023, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate increased from 1.92 percent to 3.69 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.27 percent to 4.08 percent.

For fiscal year 2024, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate increased from 3.69 percent to 3.86 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 4.08 percent to 4.27 percent.
- The medical trend assumption decreased from 7.00 percent to 6.75 percent.

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**VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education and Workforce</i>			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	2024	72,920
Cash Assistance:			
School Breakfast Program	10.553	2023/2024	327,452
National School Lunch Program	10.555	2023/2024	681,873
COVID-19: National School Lunch Program	10.555	2023/2024	50,564
Fresh Fruits and Vegetable Program	10.582	2023/2024	68,568
Total Child Nutrition Cluster			<u>1,201,377</u>
Total U.S. Department of Agriculture			1,201,377
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Facilities Construction Commission</i>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	OFCC-SS1-34752	<u>15,080</u>
Total U.S. Department of Treasury			15,080
FEDERAL COMMUNICATIONS COMMISSION			
Direct Program			
Emergency Connectivity Fund Program	32.009	2024	<u>8,965</u>
Total Federal Communications Commission			8,965
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education and Workforce</i>			
Special Education Cluster (IDEA):			
Special Education Grants to States	84.027A	2023	57,988
Special Education Grants to States	84.027A	2024	467,004
COVID-19: Special Education Grants to States	84.027X	2023	8,310
Total Special Education Grants to States			<u>533,302</u>
Special Education Preschool Grants	84.173A	2024	<u>13,588</u>
Total Special Education Cluster (IDEA)			<u>546,890</u>
Title I Grants to Local Educational Agencies	84.010A	2023	78,271
Title I Grants to Local Educational Agencies- Expanding Opportunities for Each Child Non Competitive Grant	84.010A	2023	11,533
Title I Grants to Local Educational Agencies	84.010A	2024	<u>694,553</u>
Total Title I Grants to Local Educational Agencies			<u>784,357</u>
Supporting Effective Instruction State Grants	84.367A	2024	113,584
Rural Education	84.358B	2024	78,069
Twenty-First Century Community Learning Centers	84.287A	2023	81,916
Twenty-First Century Community Learning Centers	84.287A	2024	<u>265,351</u>
Total Twenty-First Century Community Learning Centers			<u>347,267</u>
Student Support and Academic Enrichment Program	84.424A	2023	7,677
Student Support and Academic Enrichment Program	84.424A	2024	65,221
Student Support and Academic Enrichment Program-Stronger Connections	84.424F	2024	<u>10,408</u>
Total Student Support and Academic Enrichment Program			<u>83,306</u>
COVID-19: Education Stabilization Fund			
Elementary and Secondary School Emergency Relief Fund	84.425D	2023	57,218
American Rescue Plan Elementary and Secondary School Emergency Relief	84.425U	2023	296,344
American Rescue Plan Elementary and Secondary School Emergency Relief	84.425U	2024	1,641,015
American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth	84.425W	2024	2,719
Total COVID-19 Education Stabilization Fund			<u>1,997,296</u>
Total U.S. Department of Education			<u>3,950,769</u>
Total Expenditures of Federal Awards			<u>5,176,191</u>

The accompanying notes are an integral part of this Schedule.

**VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE 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 Vinton County Local School District (the District) under programs of the federal government for the 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, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with DEW's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2024 to 2025 programs:

<u>Program Title</u>	<u>AL Number</u>	<u>Amt. Transferred</u>
Title I Grants to Local Educational Agencies	84.010	\$ 33,375
Special Education - Grants to States	84.027	\$ 241,822

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

Vinton County Local School District
Vinton County
307 West High Street
McArthur, Ohio, 45651

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Vinton County Local School District, Vinton County, Ohio (the District) as of and for the 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 March 12, 2025.

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 opinion 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

March 12, 2025

OHIO AUDITOR OF STATE KEITH FABER

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

Vinton County Local School District
Vinton County
307 West High Street
McArthur, Ohio, 45651

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Vinton County Local School District's, Vinton County, Ohio (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Vinton County Local School District's major federal programs for the year ended June 30, 2024. Vinton County Local School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, Vinton County Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

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

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

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

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

March 12, 2025

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**VINTON COUNTY LOCAL SCHOOL DISTRICT
VINTON 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): <ul style="list-style-type: none"> • Special Education Cluster (IDEA): AL #84.027A, 84.027X, 84.173A • Title I Grants to Local Educational Agencies: AL# 84.010A 	
(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

OHIO AUDITOR OF STATE KEITH FABER



VINTON COUNTY LOCAL SCHOOL DISTRICT

VINTON 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 3/27/2025

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This report is a matter of public record and is available online at
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