



OHIO AUDITOR OF STATE  
**KEITH FABER**





**BOARDMAN LOCAL SCHOOL DISTRICT  
MAHONING COUNTY  
JUNE 30, 2023**

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MAHONING COUNTY  
JUNE 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

Boardman Local School District  
Mahoning County  
7777 Glenwood Avenue  
Boardman, Ohio 44512

To the Board of Education:

### Report on the Audit of the Financial Statements

#### ***Opinions***

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

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

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

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

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

As discussed in Note 21 to the financial statements, during 2023, the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent period of the District. Our opinion is not modified with respect to this matter.

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

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

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

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

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

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

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

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

**Required Supplementary Information**

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

**Supplementary information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of 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 and 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 July 26, 2024 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

July 26, 2024

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**Boardman Local School District**  
Mahoning County, Ohio

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

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

**Financial Highlights**

Key financial highlights for fiscal year 2023 are as follows:

In total, net position increased \$7,969,434 from fiscal year 2022, due to increases in capital assets and cash and cash equivalents offset by an increase in the net pension liability and related deferred inflows and outflows of resources. The effects of GASB 68 and 75 distort the comparative analysis to follow in this MD&A due to the significant changes to total expenses on a full accrual basis.

General revenues accounted for \$51,476,168 in revenue or 85 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$9,425,782 or 15 percent of total revenues of \$60,901,950, excluding an extraordinary item.

The District had \$54,772,006 in expenses related to governmental activities; only \$9,425,782 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) were adequate to provide for these programs on a full accrual basis, as evidenced by the increase in net position.

The District's major fund is the general fund whose revenues and other financing sources exceeded expenditures and other financing uses by \$3,058,658, resulting in an increase to fund balance to a total of \$16,006,108 on a modified accrual basis.

The District's total net pension liability increased to \$47,247,797 from \$28,825,411 and the OPEB liability decreased to \$2,551,549, from \$3,749,383, a combined net increase of \$17,224,552. For more information on this liability see Notes 15 and 16 to the basic financial statements.

**Using these Basic Financial Statements**

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

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the Boardman Local School District, the general fund is by far the most significant, and is the only fund reported as major.

**Boardman Local School District**  
Mahoning County, Ohio

*Management's Discussion and Analysis*  
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**Reporting the District as a Whole**

*Statement of Net Position and the Statement of Activities*

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

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

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

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

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

*Fund Financial Statements*

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

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

**Proprietary Fund** The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for insurance benefits.

**Boardman Local School District**  
Mahoning County, Ohio

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

**The District as a Whole**

Table 1 shows Net Position for fiscal year 2023 as compared to fiscal year 2022.

**Net Position (Table 1) - Governmental Activities**

|   | 2023                 | 2022                 | Change              |
|---|----------------------|----------------------|---------------------|
| <b>Assets</b>                               |                      |                      |                     |
| Current and Other Assets                    | \$73,872,719         | \$66,940,905         | \$6,931,814         |
| Capital Assets, Net                         | 27,949,183           | 25,895,942           | 2,053,241           |
| <i>Total Assets</i>                         | <u>101,821,902</u>   | <u>92,836,847</u>    | <u>8,985,055</u>    |
| <b>Deferred Outflows of Resources</b>       |                      |                      |                     |
| Pension                                     | 11,169,081           | 11,497,112           | (328,031)           |
| OPEB  | 1,219,165            | 1,498,986            | (279,821)           |
| <i>Total Deferred Outflows of Resources</i> | <u>12,388,246</u>    | <u>12,996,098</u>    | <u>(607,852)</u>    |
| <b>Liabilities</b>                          |                      |                      |                     |
| Current Liabilities                         | 8,612,207            | 7,431,637            | 1,180,570           |
| Long-Term Liabilities                       |                      |                      |                     |
| Due within One Year                         | 1,540,730            | 1,463,389            | 77,341              |
| Due in More than One Year:                  |                      |                      |                     |
| Net Pension Liability                       | 47,247,797           | 28,825,411           | 18,422,386          |
| Net OPEB Liability                          | 2,551,549            | 3,749,383            | (1,197,834)         |
| Other Amounts                               | 6,147,405            | 6,942,011            | (794,606)           |
| <i>Total Liabilities</i>                    | <u>66,099,688</u>    | <u>48,411,831</u>    | <u>17,687,857</u>   |
| <b>Deferred Inflows of Resources</b>        |                      |                      |                     |
| Property Taxes                              | 36,674,136           | 35,594,933           | 1,079,203           |
| Other                                       | 0                    | 28,875               | (28,875)            |
| Pension                                     | 5,457,820            | 24,298,356           | (18,840,536)        |
| OPEB  | 7,139,420            | 6,629,300            | 510,120             |
| <i>Total Deferred Inflows of Resources</i>  | <u>49,271,376</u>    | <u>66,551,464</u>    | <u>(17,280,088)</u> |
| <b>Net Position</b>                         |                      |                      |                     |
| Net Investment in Capital Assets            | 23,278,243           | 20,288,271           | 2,989,972           |
| Restricted                                  | 5,021,549            | 4,410,470            | 611,079             |
| Unrestricted (Deficit)                      | (29,460,708)         | (33,829,091)         | 4,368,383           |
| <i>Total Net Position</i>                   | <u>(\$1,160,916)</u> | <u>(\$9,130,350)</u> | <u>\$7,969,434</u>  |

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

**Boardman Local School District**  
Mahoning County, Ohio

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

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

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

**Table 2**  
Change in Net Position  
Governmental Activities

|  | 2023                 | 2022                 | Increase<br>(Decrease) |
|--|----------------------|----------------------|------------------------|
| <b>Revenues</b>                              |                      |                      |                        |
| <b>Program Revenues</b>                      |                      |                      |                        |
| Charges for Services and Sales               | \$2,079,348          | \$1,572,916          | \$506,432              |
| Operating Grants and Contributions           | 7,257,559            | 9,123,157            | (1,865,598)            |
| Capital Grants and Contributions             | 88,875               | 89,515               | (640)                  |
| <i>Total Program Revenues</i>                | <u>9,425,782</u>     | <u>10,785,588</u>    | <u>(1,359,806)</u>     |
| <b>General Revenues</b>                      |                      |                      |                        |
| Property Taxes                               | 37,076,801           | 36,532,512           | 544,289                |
| Intergovernmental                            | 12,993,316           | 11,240,711           | 1,752,605              |
| Investment Earnings                          | 1,026,629            | 186,874              | 839,755                |
| Miscellaneous                                | 379,422              | 239,962              | 139,460                |
| <i>Total General Revenues</i>                | <u>51,476,168</u>    | <u>48,200,059</u>    | <u>3,276,109</u>       |
| <i>Total Revenues</i>                        | <u>60,901,950</u>    | <u>58,985,647</u>    | <u>1,916,303</u>       |
| <b>Program Expenses</b>                      |                      |                      |                        |
| Instruction                                  | 32,878,299           | 26,577,176           | (6,301,123)            |
| Support Services                             | 18,186,975           | 16,380,786           | (1,806,189)            |
| Operation of Non-Instructional/Food Services | 1,857,706            | 1,873,237            | 15,531                 |
| Extracurricular Activities                   | 1,476,736            | 1,318,901            | (157,835)              |
| Interest and Fiscal Charges                  | 372,290              | 536,790              | 164,500                |
| <i>Total Program Expenses</i>                | <u>54,772,006</u>    | <u>46,686,890</u>    | <u>(8,085,116)</u>     |
| Extraordinary Item                           | 1,839,490            | 0                    | 1,839,490              |
| <i>Change in Net Position</i>                | <u>7,969,434</u>     | <u>12,298,757</u>    | <u>(4,329,323)</u>     |
| Net Position Beginning of Year               | <u>(9,130,350)</u>   | <u>(21,429,107)</u>  | <u>12,298,757</u>      |
| <i>Net Position End of Year</i>              | <u>(\$1,160,916)</u> | <u>(\$9,130,350)</u> | <u>\$7,969,434</u>     |

**Boardman Local School District**  
Mahoning County, Ohio

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

Over time, Net Position can serve as a useful indicator of a government's financial position. At June 30, 2023, the District's total net position was a negative \$1,160,916. Of this total, \$5,021,549 is restricted in use, which represents resources that are subject to external restriction on how they may be used.

**Governmental Activities**

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 82 percent of total governmental revenue. Total revenues increased \$1,916,303 while expenses increased \$8,085,116. The effects of GASB 68 and 75 distort this comparative analysis due to the significant impact changes made to cost of living adjustments enacted by the state pension board had on the District's share of the total pension/OPEB liability.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services for fiscal year 2023 and 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

**Table 3**  
Total and Net Cost of Program Services

|   | 2023                      |                         | 2022                      |                         |
|---|---------------------------|-------------------------|---------------------------|-------------------------|
|   | Total Cost<br>of Services | Net Cost<br>of Services | Total Cost<br>of Services | Net Cost<br>of Services |
| <b>Program Expenses</b>                             |                           |                         |                           |                         |
| Instruction   | \$32,878,299              | \$28,286,578            | \$26,577,176              | \$21,990,030            |
| Support Services                                    | 18,187,275                | 16,064,005              | 16,380,786                | 13,547,108              |
| Operation of Non-Instructional<br>and Food Services | 1,857,706                 | (218,829)               | 1,873,237                 | (908,925)               |
| Extracurricular Activities                          | 1,476,736                 | 842,180                 | 1,318,901                 | 736,299                 |
| Interest and Fiscal Charges                         | 372,290                   | 372,290                 | 536,790                   | 536,790                 |
| <i>Total Expenditures</i>                           | <u>\$54,772,306</u>       | <u>\$45,346,224</u>     | <u>\$46,686,890</u>       | <u>\$35,901,302</u>     |

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

The dependence upon general tax revenues for governmental activities is apparent. 68 percent of all District expenses were supported through property taxes alone this year. For all governmental activities, general revenue helped to support most expenses as shown in the above table. The community, as a whole, is by far the primary support for Boardman Local School District students.

**Boardman Local School District**  
Mahoning County, Ohio

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

**The District's Funds**

The District's funds (as presented on the balance sheet) reported a combined fund balance of \$20,194,562 which is more than last year's total of \$17,255,152 by 17 percent. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2023 and 2022.

|                    | Fund Balance<br><u>June 30, 2023</u> | Fund Balance<br><u>June 30, 2022</u> | Increase<br>(Decrease) |
|--------------------|--------------------------------------|--------------------------------------|------------------------|
| General            | \$16,006,108                         | \$12,947,450                         | \$3,058,658            |
| Other Governmental | 4,188,454                            | 4,307,702                            | (119,248)              |
| Total              | <u>\$20,194,562</u>                  | <u>\$17,255,152</u>                  | <u>\$2,939,410</u>     |

**General Fund**

During fiscal year 2023, the District's general fund balance increased on a modified accrual basis by \$3,058,658; total revenues within the general fund increased by 6.4 percent and expenditures increased by 7.2 percent. The primary reason for the overall increase in fund balance this fiscal year is that revenues and other financing sources exceeded expenditures and transfers out. The District has built a surplus by balancing its budget and by spending less than total revenues over the past few years. Various major expenditure savings policies were applied to the District's budget with great success. The District has utilized various phases of energy conservation permanent improvements that decrease utility expenditures and yet maintain the buildings. In addition, the District utilizes a negotiated Retire/Rehire Program for the professional staff yielding extensive savings in payroll. The use of these expenditure policies has extended the operating lives of the District's existing levies and also these policies have counteracted the recent environment of eroding tax revenues for the District. As a result, the control of expenditures has preserved the accumulation of prior year-end positive fund balances.

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

|  | <u>2023</u>         | <u>2022</u>         | <u>% Change</u> |
|--|---------------------|---------------------|-----------------|
| <b><u>Revenues</u></b>                       |                     |                     |                 |
| Taxes  | \$35,822,370        | \$35,312,506        | 1.4 %           |
| Tuition                                      | 970,108             | 884,174             | 9.7 %           |
| Earnings on investments                      | 927,767             | 161,845             | 473.2 %         |
| Intergovernmental                            | 12,688,970          | 11,107,751          | 14.2 %          |
| Other revenues                               | 461,042             | 365,959             | 26.0 %          |
| Total  | <u>\$50,870,257</u> | <u>\$47,832,235</u> | <u>6.4 %</u>    |
| <b><u>Expenditures</u></b>                   |                     |                     |                 |
| Instruction                                  | 30,131,738          | 27,283,012          | 10.4 %          |
| Support services                             | 15,872,071          | 15,177,545          | 4.6 %           |
| Operation of non-instructional/food services | 226,891             | 111,593             | 103.3 %         |
| Extracurricular activities                   | 933,910             | 814,890             | 14.6 %          |
| Capital outlay                               | 0                   | 518,404             | n/a %           |
| Debt service                                 | 63,264              | 138,295             | (54.3) %        |
| Total  | <u>\$47,227,874</u> | <u>\$44,043,739</u> | <u>7.2 %</u>    |

**Boardman Local School District**  
Mahoning County, Ohio

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

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**General Fund Budgeting Highlights**

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

During the course of fiscal year 2023 the District amended its General Fund budget as needed. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, actual revenue, including other financing sources, was \$50,769,234, which was \$1,958,650 more than the original and \$103,405 more than the final budget. The actual revenue amounts received were more than the amounts anticipated at the beginning and end of the fiscal year due to a conservative approach to budgeting revenues.

Total actual expenditures, including other financing uses, were \$47,811,070, which was \$2,525,895 less than the final budgeted expenditures and was \$1,818,773 more than original budgeted expenditures of \$45,992,297. The variance with final appropriations was due to a conservative estimates approach.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2023, the District had \$27,949,183 invested in land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and intangible – right to use leases.

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

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

|                                   | <u>2023</u>         | <u>2022</u>         |
|-----------------------------------|---------------------|---------------------|
| Land                              | \$3,438,919         | \$3,438,919         |
| Construction in Progress          | 1,759,887           | 0                   |
| Land Improvements                 | 1,053,827           | 975,453             |
| Buildings and Improvements        | 18,401,237          | 17,823,966          |
| Furniture, Fixtures and Equipment | 1,723,120           | 1,851,211           |
| Vehicles                          | 1,393,156           | 1,569,037           |
| Intangible - Right to Use Leases  | 179,037             | 237,356             |
| <i>Total</i>                      | <u>\$27,949,183</u> | <u>\$25,895,942</u> |

All capital assets, except land and construction in progress, are reported net of depreciation/amortization. As one can see, the District had an overall increase in capital assets of \$2,053,241. The majority of this increase is due to current year additions of \$3,573,372 exceeding current year depreciation/amortization expense of \$1,520,131. For more information about the District's capital assets, see Note 9 to the basic financial statements.

**Boardman Local School District**  
Mahoning County, Ohio

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

Previously, the District transferred a parcel of land valued at \$918,750 to Boardman Township in exchange for a parcel of land valued at \$630,000, to allow the Township to build a new fire station and the District to obtain new parking for busses and maintenance/office employees. The value of land acquired by the District was \$288,750 less than the value of the land given to the Township, so the Township has agreed to pay the District this difference over 10 years, or \$28,875 per year. A note receivable from the Township has been recorded in the general fund to reflect this transaction.

**Long-Term Obligations**

At June 30, 2023, the District had qualified school construction bonds, one energy conservation bond, a general obligation bond, financed purchase agreements and compensated absences outstanding. Of this total, \$1,540,730 is due within one year. The following table summarizes the District's outstanding long-term obligations, including the net pension and net OPEB liabilities.

**Table 5**  
Outstanding at Fiscal Year End

|                                     | 2023         | 2022         |
|-------------------------------------|--------------|--------------|
| General Obligation Bonds            | \$650,000    | \$710,000    |
| Qualified School Construction Bonds | 930,136      | 1,162,669    |
| Energy Conservation Bonds           | 295,000      | 585,000      |
| Financed Purchase Agreements        | 2,609,000    | 2,907,000    |
| Leases                              | 186,804      | 243,002      |
| Compensated Absences                | 3,017,195    | 2,797,729    |
| Net Pension Liability               | 47,247,797   | 28,825,411   |
| Net OPEB Liability                  | 2,551,549    | 3,749,383    |
| <i>Total</i>                        | \$57,487,481 | \$40,980,194 |

The general obligation bonds, qualified school construction bonds, and the energy conservation bond are general obligations of the District for which the full faith and credit of the District is pledged for repayment. The energy conservation bond is scheduled to mature in fiscal year 2024.

The District currently has one financed purchase agreement outstanding totaling \$2,609,000. Of this total, a portion is related to the new stadium and it should be noted that the entire balance of this financed purchase agreement is being paid for by donations from boosters and not taxpayer dollars. During fiscal year 2023, \$60,000 was received to help make the scheduled principal and interest payment.

See Note 12 to the basic financial statements for additional information on the District's debt administration.

**Current Financial Related Activities**

The District has carefully managed its general fund budgets in order to optimize the dollars available for educating the students it serves, and to minimize the levy millage amounts needed periodically from the community's citizens. In Mahoning County, our District's state funding per pupil is the one of the lowest in the State of Ohio. Boardman Local School District local taxes are represented by one permanent improvement levy, three emergency levies and three current expense levies. These limited levies all need to be renewed and vary from five to 10-year terms.



**Boardman Local School District**  
Mahoning County, Ohio

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

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The impact of the ESSER funding from the federal government has assisted the Boardman Local School District in dealing with costs directly and indirectly related to the Covid-19 pandemic. The District has used some of these funds to offset some planned spending designed to help with recovering from the issues associated with the pandemic. The approach taken was to address issues brought on by the pandemic, best serve our students and school community and make certain that any legacy costs are minimal.

The District continues to be aggressive in cost cutting measures, while maintaining the high-quality programs that are a tradition of our District. Retire/rehire has been a very successful cost savings program. The District is afforded a lower cost per employee, while retaining quality and expertise for up to a three-year period. The Board continues to explore areas to reduce operating costs. These areas include staffing, health care, natural gas, electricity, workers' compensation and all insurances.

Several significant legislative and judicial actions have occurred that have had a major impact on our District including the decision to eliminate locally generated Tangible Personal Property Taxes, the elimination of TPP state reimbursement payments, the funding gain cap that impacts current foundation funding, as well as funding losses from the district to charter/community schools, open enrollment, state autism scholarships, STEM School, and Peterson Scholarships.

The Boardman Local School District board and administration are encouraged by changes made to the school funding system in Ohio. Recently enacted law eliminated transfer payments from Boardman Local Schools to students attending other school districts through open enrollment and community/charter schools, and State foundation basic aid revenue will be calculated on a base cost methodology with funding paid to the District where a student is enrolled to be educated. This does not currently apply to excess costs paid to districts accepting open enrollment students from Boardman Local Schools that are charging back special education costs to Boardman Local Schools for those students.

The new funding system also includes changes to how local shares are funded by including an increased emphasis on income levels of those that live in a school district rather than the over-reliance on property tax valuations. The new school funding plan (The Fair School Funding Plan) was designed to be phased in over a six-year period. To realize the increased fairness and adequate funding the District will remain engaged in the process to advocate for continuing the trajectory of this new school funding program.

The District has committed itself to educational and financial excellence for many years and is very proud of the 4 A's of the District: Academics, Arts, Athletics and Accountability. The diverse curriculum programs offered to the students, our excellent test score ratings for past school years in addition to unmodified audits, are evidence of the Board's commitment to maximize the resources that are provided to educate the students of the District. The District is committed to living within its financial means and working with the community it serves in order to provide adequate resources to support the education program.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer at Boardman Local School District, 7777 Glenwood Avenue, Youngstown, Ohio 44512.

**Boardman Local School District**

Mahoning County, Ohio

*Statement of Net Position**June 30, 2023*

|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| <b>Assets</b>                               |                                    |
| Equity in Pooled Cash and Cash Equivalents  | \$30,365,601                       |
| Accrued Interest Receivable                 | 5,706                              |
| Accounts Receivable                         | 97,433                             |
| Intergovernmental Receivable                | 147,839                            |
| Property Taxes Receivable                   | 38,691,438                         |
| Inventory Held for Resale                   | 71,096                             |
| Materials and Supplies Inventory            | 49,635                             |
| Note Receivable                             | 57,750                             |
| Net OPEB Asset                              | 4,386,221                          |
| Nondepreciable Capital Assets               | 5,198,806                          |
| Depreciable Capital Assets, Net             | 22,750,377                         |
| <i>Total Assets</i>                         | <u>101,821,902</u>                 |
| <b>Deferred Outflows of Resources</b>       |                                    |
| Pension                                     | 11,169,081                         |
| Other Postemployment Benefits               | 1,219,165                          |
| <i>Total Deferred Outflows of Resources</i> | <u>12,388,246</u>                  |
| <b>Liabilities</b>                          |                                    |
| Accounts Payable                            | 1,755,668                          |
| Accrued Wages and Benefits Payable          | 4,654,323                          |
| Intergovernmental Payable                   | 1,281,081                          |
| Matured Compensated Absences Payable        | 184,080                            |
| Accrued Interest Payable                    | 29,129                             |
| Claims Payable                              | 707,926                            |
| Long-Term Liabilities:                      |                                    |
| Due Within One Year                         | 1,540,730                          |
| Due In More Than One Year:                  |                                    |
| Net Pension Liability                       | 47,247,797                         |
| Other Postemployment Benefits Liability     | 2,551,549                          |
| Other Amounts Due in More than One Year     | 6,147,405                          |
| <i>Total Liabilities</i>                    | <u>66,099,688</u>                  |
| <b>Deferred Inflows of Resources</b>        |                                    |
| Property Taxes                              | 36,674,136                         |
| Pension                                     | 5,457,820                          |
| Other Postemployment Benefits               | 7,139,420                          |
| <i>Total Deferred Inflows of Resources</i>  | <u>49,271,376</u>                  |
| <b>Net Position</b>                         |                                    |
| Net Investment in Capital Assets            | 23,278,243                         |
| Restricted for:                             |                                    |
| Capital Projects                            | 1,114,214                          |
| Debt Service                                | 55,713                             |
| Other Purposes                              | 3,787,330                          |
| Set-asides                                  | 64,292                             |
| Unrestricted (Deficit)                      | (29,460,708)                       |
| <i>Total Net Position</i>                   | <u>(\$1,160,916)</u>               |

See accompanying notes to the basic financial statements

**Boardman Local School District**  
Mahoning County, Ohio

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

|   | Program Revenues    |                                      |  | Net (Expense)                             |                      |
|---|---------------------|--------------------------------------|--|---|----------------------|
|   | Expenses            | Charges<br>for Services<br>and Sales | Operating<br>Grants and<br>Contributions | Revenue and<br>Changes in<br>Net Position |                      |
|   |                     |                                      | Capital Grants<br>and Contributions      | Governmental<br>Activities                |                      |
| <b>Governmental Activities</b>          |                     |                                      |  |   |                      |
| Current:                                |                     |                                      |  |   |                      |
| Instruction:                            |                     |                                      |  |   |                      |
| Regular                                 | \$24,326,842        | \$537,454                            | \$2,075,410                              | \$0                                       | (\$21,713,978)       |
| Special                                 | 8,393,723           | 277,481                              | 1,587,036                                | 0   | (6,529,206)          |
| Vocational                              | 5,109               | 0                                    | 0  | 0   | (5,109)              |
| Adult/Continuing                        | 41,668              | 0                                    | 42,591                                   | 0   | 923                  |
| Other                                   | 110,957             | 0                                    | 71,749                                   | 0   | (39,208)             |
| Support Services:                       |                     |                                      |  |   |                      |
| Pupils                                  | 3,009,879           | 0                                    | 459,275                                  | 0   | (2,550,604)          |
| Instructional Staff                     | 1,193,489           | 147,241                              | 211,314                                  | 0   | (834,934)            |
| Board of Education                      | 417,879             | 0                                    | 0  | 0   | (417,879)            |
| Administration                          | 3,136,239           | 0                                    | 323,241                                  | 0   | (2,812,998)          |
| Fiscal                                  | 1,065,663           | 0                                    | 0  | 0   | (1,065,663)          |
| Business                                | 190,793             | 0                                    | 0  | 0   | (190,793)            |
| Operation and Maintenance of Plant      | 5,742,157           | 0                                    | 813,810                                  | 0   | (4,928,347)          |
| Pupil Transportation                    | 3,066,564           | 8,122                                | 159,967                                  | 0   | (2,898,475)          |
| Central                                 | 364,312             | 0                                    | 0  | 0   | (364,312)            |
| Operation of Non-Instructional Services | 1,857,706           | 588,352                              | 1,459,308                                | 28,875                                    | 218,829              |
| Extracurricular Activities              | 1,476,736           | 520,698                              | 53,858                                   | 60,000                                    | (842,180)            |
| Interest and Fiscal Charges             | 372,290             | 0                                    | 0  | 0   | (372,290)            |
| <i>Total Governmental Activities</i>    | <u>\$54,772,006</u> | <u>\$2,079,348</u>                   | <u>\$7,257,559</u>                       | <u>\$88,875</u>                           | <u>(45,346,224)</u>  |
| <b>General Revenues</b>                 |                     |                                      |  |   |                      |
| Property Taxes Levied for:              |                     |                                      |  |   |                      |
|   |                     |                                      |  |   | 35,825,131           |
|   |                     |                                      |  |   | 1,251,670            |
| Grants and Entitlements not             |                     |                                      |  |   |                      |
|   |                     |                                      |  |   | 12,993,316           |
|   |                     |                                      |  |   | 1,026,629            |
|   |                     |                                      |  |   | 379,422              |
| <i>Total General Revenues</i>           |                     |                                      |  |   | <u>51,476,168</u>    |
| <b>Extraordinary Item</b>               |                     |                                      |  |   |                      |
|   |                     |                                      |  |   | 1,839,490            |
| <i>Change in Net Position</i>           |                     |                                      |  |   | 7,969,434            |
| <i>Net Position Beginning of Year</i>   |                     |                                      |  |   | (9,130,350)          |
| <i>Net Position End of Year</i>         |                     |                                      |  |   | <u>(\$1,160,916)</u> |

See accompanying notes to the basic financial statements

**Boardman Local School District**

Mahoning County, Ohio

*Balance Sheet  
Governmental Funds  
June 30, 2023*

|   | General             | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|---------------------|--------------------------------|--------------------------------|
| <b>Assets</b>   |                     |                                |                                |
| Equity in Pooled Cash and Cash Equivalents                                    | \$21,467,951        | \$5,598,268                    | \$27,066,219                   |
| Accrued Interest Receivable   | 5,706               | 0                              | 5,706                          |
| Accounts Receivable   | 23,579              | 580                            | 24,159                         |
| Interfund Receivable  | 6,492               | 0                              | 6,492                          |
| Intergovernmental Receivable  | 0                   | 147,839                        | 147,839                        |
| Property Taxes Receivable   | 37,383,987          | 1,307,451                      | 38,691,438                     |
| Inventory Held for Resale   | 0                   | 71,096                         | 71,096                         |
| Materials and Supplies Inventory  | 49,635              | 0                              | 49,635                         |
| Note Receivable   | 57,750              | 0                              | 57,750                         |
| Restricted Assets:  |                     |                                |                                |
| Equity in Pooled Cash and Cash Equivalents                                    | 64,292              | 0                              | 64,292                         |
| <i>Total Assets</i>   | <u>\$59,059,392</u> | <u>\$7,125,234</u>             | <u>\$66,184,626</u>            |
| <b>Liabilities</b>  |                     |                                |                                |
| Accounts Payable  | \$427,385           | \$1,315,390                    | \$1,742,775                    |
| Accrued Wages and Benefits Payable  | 4,447,664           | 206,659                        | 4,654,323                      |
| Intergovernmental Payable   | 1,162,819           | 118,262                        | 1,281,081                      |
| Matured Compensated Absences Payable  | 181,315             | 2,765                          | 184,080                        |
| Interfund Payable   | 0                   | 6,492                          | 6,492                          |
| <i>Total Liabilities</i>  | <u>6,219,183</u>    | <u>1,649,568</u>               | <u>7,868,751</u>               |
| <b>Deferred Inflows of Resources</b>  |                     |                                |                                |
| Property Taxes  | 35,435,947          | 1,238,189                      | 36,674,136                     |
| Unavailable Revenue - Property Taxes  | 1,369,279           | 49,023                         | 1,418,302                      |
| Unavailable Revenue - Other   | 28,875              | 0                              | 28,875                         |
| <i>Total Deferred Inflows of Resources</i>                                    | <u>36,834,101</u>   | <u>1,287,212</u>               | <u>38,121,313</u>              |
| <b>Fund Balances</b>  |                     |                                |                                |
| Nonspendable  | 74,840              | 0                              | 74,840                         |
| Restricted  | 0                   | 4,992,352                      | 4,992,352                      |
| Committed   | 392,566             | 0                              | 392,566                        |
| Assigned  | 513,205             | 0                              | 513,205                        |
| Unassigned (Deficit)  | 15,025,497          | (803,898)                      | 14,221,599                     |
| <i>Total Fund Balances</i>  | <u>16,006,108</u>   | <u>4,188,454</u>               | <u>20,194,562</u>              |
| <i>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</i> | <u>\$59,059,392</u> | <u>\$7,125,234</u>             | <u>\$66,184,626</u>            |

See accompanying notes to the basic financial statements

**Boardman Local School District**  
Mahoning County, Ohio

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

|  |                                 |
|--|---------------------------------|
| <b>Total Governmental Fund Balances</b>  | <b>\$20,194,562</b>             |
| <br><i>Amounts reported for governmental activities in the<br/>statement of net position are different because</i>   |                                 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.  | 27,949,183                      |
| Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:  |                                 |
| Delinquent Property Taxes  | 1,418,302                       |
| Other  | <u>28,875</u>                   |
| Total  | 1,447,177                       |
| The net pension and OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the funds.  |                                 |
| Deferred Outflows - Pension  | 11,169,081                      |
| Deferred Inflows - Pension   | (5,457,820)                     |
| Net Pension Liability  | (47,247,797)                    |
| Deferred Outflows - OPEB   | 1,219,165                       |
| Deferred Inflows - OPEB  | (7,139,420)                     |
| OPEB Asset   | 4,386,221                       |
| OPEB Liability   | <u>(2,551,549)</u>              |
| Total  | (45,622,119)                    |
| 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. | 2,587,545                       |
| In the statement of activities, interest is accrued on outstanding bonds and lease purchase agreements, whereas in governmental funds, an interest expenditure is reported when due.   | (29,129)                        |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:   |                                 |
| General Obligation Bonds   | (1,875,136)                     |
| Financed Purchase Agreements Payable   | (2,609,000)                     |
| Leases   | (186,804)                       |
| Compensated Absences   | <u>(3,017,195)</u>              |
| Total  | <u>(7,688,135)</u>              |
| <br><i>Net Position of Governmental Activities</i>   | <br><u><u>(\$1,160,916)</u></u> |

See accompanying notes to the basic financial statements

**Boardman Local School District**  
Mahoning County, Ohio

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

|   | General             | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|---------------------|--------------------------------|--------------------------------|
| <b>Revenues</b>                                     |                     |                                |                                |
| Property Taxes                                      | \$35,822,370        | \$1,251,690                    | \$37,074,060                   |
| Tuition and Fees                                    | 970,108             | 0                              | 970,108                        |
| Interest  | 927,767             | 98,862                         | 1,026,629                      |
| Charges for Services                                | 0                   | 499,421                        | 499,421                        |
| Extracurricular Activities                          | 91,391              | 437,070                        | 528,461                        |
| Rentals   | 81,358              | 0                              | 81,358                         |
| Contributions and Donations                         | 21,036              | 167,242                        | 188,278                        |
| Intergovernmental                                   | 12,688,970          | 7,433,627                      | 20,122,597                     |
| Miscellaneous                                       | 267,257             | 104,328                        | 371,585                        |
| <i>Total Revenues</i>                               | <u>50,870,257</u>   | <u>9,992,240</u>               | <u>60,862,497</u>              |
| <b>Expenditures</b>                                 |                     |                                |                                |
| Current:  |                     |                                |                                |
| Instruction:  |                     |                                |                                |
| Regular   | 23,059,380          | 1,281,318                      | 24,340,698                     |
| Special   | 7,017,309           | 1,581,710                      | 8,599,019                      |
| Vocational  | 534                 | 4,617                          | 5,151                          |
| Adult/Continuing                                    | 0                   | 42,005                         | 42,005                         |
| Other   | 54,515              | 64,485                         | 119,000                        |
| Support Services:                                   |                     |                                |                                |
| Pupils  | 2,692,626           | 389,327                        | 3,081,953                      |
| Instructional Staff                                 | 939,162             | 238,049                        | 1,177,211                      |
| Board of Education                                  | 416,016             | 5,244                          | 421,260                        |
| Administration                                      | 2,933,214           | 289,721                        | 3,222,935                      |
| Fiscal  | 1,089,252           | 17,027                         | 1,106,279                      |
| Business  | 185,071             | 0                              | 185,071                        |
| Operation and Maintenance of Plant                  | 4,562,389           | 1,068,514                      | 5,630,903                      |
| Pupil Transportation                                | 2,666,147           | 143,023                        | 2,809,170                      |
| Central   | 388,194             | 1,277                          | 389,471                        |
| Operation of Non-Instructional Services             | 226,891             | 1,623,422                      | 1,850,313                      |
| Extracurricular Activities                          | 933,910             | 489,176                        | 1,423,086                      |
| Capital Outlay                                      | 0                   | 4,075,135                      | 4,075,135                      |
| Debt Service:                                       |                     |                                |                                |
| Principal Retirement                                | 56,198              | 880,533                        | 936,731                        |
| Interest and Fiscal Charges                         | 7,066               | 368,995                        | 376,061                        |
| <i>Total Expenditures</i>                           | <u>47,227,874</u>   | <u>12,563,578</u>              | <u>59,791,452</u>              |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>3,642,383</u>    | <u>(2,571,338)</u>             | <u>1,071,045</u>               |
| <b>Other Financing Sources (Uses)</b>               |                     |                                |                                |
| Proceeds from Sale of Capital Assets                | 28,875              | 0                              | 28,875                         |
| Transfers In  | 0                   | 612,600                        | 612,600                        |
| Transfers Out                                       | (612,600)           | 0                              | (612,600)                      |
| <i>Total Other Financing Sources (Uses)</i>         | <u>(583,725)</u>    | <u>612,600</u>                 | <u>28,875</u>                  |
| <b>Extraordinary Item</b>                           |                     |                                |                                |
| Insurance Proceeds from Flood                       | 0                   | 1,839,490                      | 1,839,490                      |
| <i>Net Change in Fund Balances</i>                  | 3,058,658           | (119,248)                      | 2,939,410                      |
| <i>Fund Balance Beginning of Year</i>               | 12,947,450          | 4,307,702                      | 17,255,152                     |
| <i>Fund Balance End of Year</i>                     | <u>\$16,006,108</u> | <u>\$4,188,454</u>             | <u>\$20,194,562</u>            |

See accompanying notes to the basic financial statements

**Boardman Local School District**  
Mahoning County, Ohio

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

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**Net Change in Fund Balances - Total Governmental Funds** \$2,939,410

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

Governmental funds report capital outlays as expenditures.

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

|  |             |
|--|-------------|
| Capital Outlay                         | 3,573,372   |
| Current Year Depreciation/Amortization | (1,520,131) |

|       |           |
|-------|-----------|
| Total | 2,053,241 |
|-------|-----------|

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

|                |       |
|----------------|-------|
| Property Taxes | 2,741 |
|----------------|-------|

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

|         |           |
|---------|-----------|
| Pension | 4,148,259 |
| OPEB    | 131,634   |

|       |           |
|-------|-----------|
| Total | 4,279,893 |
|-------|-----------|

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

|         |             |
|---------|-------------|
| Pension | (4,058,143) |
| OPEB    | 1,083,148   |

|       |             |
|-------|-------------|
| Total | (2,974,995) |
|-------|-------------|

Repayment of long-term bond, lease, financed purchase principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position.

|  |         |
|--|---------|
|  | 936,731 |
|--|---------|

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

|  |       |
|--|-------|
| Accrued Interest on Bonds and Financed Purchases | 3,771 |
|--|-------|

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 | (219,466) |
|----------------------|-----------|

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

|  |         |
|--|---------|
|  | 948,108 |
|--|---------|

|  |                    |
|--|--------------------|
| <i>Change in Net Position of Governmental Activities</i> | <b>\$7,969,434</b> |
|--|--------------------|

See accompanying notes to the basic financial statements

**Boardman Local School District**  
Mahoning County, Ohio

*Statement of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2023*

|   | Budgeted Amounts    |                     | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|---------------------|---------------------|---|
|   | Original            | Final               |                     |   |
| <b>Revenues</b>                                     |                     |                     |                     |   |
| Property Taxes                                      | \$34,735,895        | \$36,013,089        | \$36,013,089        | \$0   |
| Tuition and Fees                                    | 757,428             | 785,278             | 773,739             | (11,539)  |
| Interest  | 853,778             | 885,170             | 940,100             | 54,930  |
| Rentals   | 33,303              | 34,527              | 35,741              | 1,214   |
| Contributions and Donations                         | 5,574               | 5,779               | 5,731               | (48)  |
| Intergovernmental                                   | 12,182,189          | 12,630,112          | 12,688,970          | 58,858  |
| Miscellaneous                                       | 242,417             | 251,330             | 256,342             | 5,012   |
| <i>Total Revenues</i>                               | <u>48,810,584</u>   | <u>50,605,285</u>   | <u>50,713,712</u>   | <u>108,427</u>  |
| <b>Expenditures</b>                                 |                     |                     |                     |   |
| Current:  |                     |                     |                     |   |
| Instruction:  |                     |                     |                     |   |
| Regular   | 22,179,906          | 24,016,726          | 23,055,291          | 961,435   |
| Special   | 6,053,709           | 6,506,482           | 6,789,792           | (283,310)   |
| Vocational  | 6,090               | 6,626               | 534                 | 6,092   |
| Other   | 27,391              | 29,800              | 49,169              | (19,369)  |
| Support Services:                                   |                     |                     |                     |   |
| Pupils  | 2,339,240           | 2,544,293           | 2,621,882           | (77,589)  |
| Instructional Staff                                 | 850,350             | 911,805             | 939,817             | (28,012)  |
| Board of Education                                  | 469,977             | 511,379             | 417,538             | 93,841  |
| Administration                                      | 2,589,217           | 2,804,052           | 2,919,790           | (115,738)   |
| Fiscal  | 960,594             | 1,038,588           | 1,096,066           | (57,478)  |
| Business  | 269,519             | 273,702             | 237,179             | 36,523  |
| Operation and Maintenance of Plant                  | 4,618,688           | 4,908,918           | 4,632,278           | 276,640   |
| Pupil Transportation                                | 3,534,040           | 3,686,633           | 2,828,918           | 857,715   |
| Central   | 320,374             | 348,510             | 377,230             | (28,720)  |
| Operation of Non-Instructional Services             | 0                   | 0                   | 2,900               | (2,900)   |
| Extracurricular Activities                          | 773,202             | 841,201             | 951,083             | (109,882)   |
| <i>Total Expenditures</i>                           | <u>44,992,297</u>   | <u>48,428,715</u>   | <u>46,919,467</u>   | <u>1,509,248</u>  |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>3,818,287</u>    | <u>2,176,570</u>    | <u>3,794,245</u>    | <u>1,617,675</u>  |
| <b>Other Financing Sources (Uses)</b>               |                     |                     |                     |   |
| Proceeds from Sale of Capital Assets                | 0                   | 32,880              | 32,711              | (169)   |
| Refund of Prior Year Expenditure                    | 0                   | 5,468               | 615                 | (4,853)   |
| Refund of Prior Year Receipts                       | 0                   | (2,783)             | (2,783)             | 0   |
| Advances In   | 0                   | 22,196              | 22,196              | 0   |
| Advances Out  | 0                   | (16,647)            | 0                   | 16,647  |
| Transfers Out                                       | (1,000,000)         | (1,888,820)         | (888,820)           | 1,000,000   |
| <i>Total Other Financing Sources (Uses)</i>         | <u>(1,000,000)</u>  | <u>(1,847,706)</u>  | <u>(836,081)</u>    | <u>1,011,625</u>  |
| <i>Net Change in Fund Balance</i>                   | <u>2,818,287</u>    | <u>328,864</u>      | <u>2,958,164</u>    | <u>2,629,300</u>  |
| <i>Fund Balance Beginning of Year</i>               | <u>16,866,960</u>   | <u>16,866,960</u>   | <u>16,866,960</u>   | <u>0</u>  |
| <i>Prior Year Encumbrances Appropriated</i>         | <u>478,777</u>      | <u>478,777</u>      | <u>478,777</u>      | <u>0</u>  |
| <i>Fund Balance End of Year</i>                     | <u>\$20,164,024</u> | <u>\$17,674,601</u> | <u>\$20,303,901</u> | <u>\$2,629,300</u>                                      |

See accompanying notes to the basic financial statements



**Boardman Local School District**

Mahoning County, Ohio

*Statement of Fund Net Position*

*Proprietary Fund*

*June 30, 2023*

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|  | <u>Internal Service</u>   |
|--|---------------------------|
| <b>Assets</b>                              |                           |
| Equity in Pooled Cash and Cash Equivalents | \$3,235,090               |
| Accounts Receivable                        | <u>73,274</u>             |
| <i>Total Assets</i>                        | <u>3,308,364</u>          |
| <b>Liabilities</b>                         |                           |
| Accounts Payable                           | 12,893                    |
| Claims Payable                             | <u>707,926</u>            |
| <i>Total Liabilities</i>                   | <u>720,819</u>            |
| <b>Net Position</b>                        |                           |
| Unrestricted                               | <u><u>\$2,587,545</u></u> |

See accompanying notes to the basic financial statements

**Boardman Local School District**

Mahoning County, Ohio

*Statement of Revenues,  
Expenses and Changes in Fund Net Position  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2023*

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|                                       | <u>Internal Service</u>   |
|---------------------------------------|---------------------------|
| <b>Operating Revenues</b>             |                           |
| Charges for Services                  | \$7,938,064               |
| Miscellaneous                         | 7,837                     |
| <i>Total Operating Revenues</i>       | <u>7,945,901</u>          |
| <b>Operating Expenses</b>             |                           |
| Purchased Services                    | 444,209                   |
| Claims                                | 6,553,584                 |
| <i>Total Operating Expenses</i>       | <u>6,997,793</u>          |
| <i>Change in Net Position</i>         | 948,108                   |
| <i>Net Position Beginning of Year</i> | <u>1,639,437</u>          |
| <i>Net Position End of Year</i>       | <u><u>\$2,587,545</u></u> |

See accompanying notes to the basic financial statements

**Boardman Local School District**

Mahoning County, Ohio

*Statement of Cash Flows*

*Proprietary Fund*

*For the Fiscal Year Ended June 30, 2023*

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|  | <u>Internal Service</u>   |
|--|---------------------------|
| <b><i>Change in Cash and Cash Equivalents</i></b>  |                           |
| <b>Cash Flows from Operating Activities</b>  |                           |
| Cash Received from Charges for Services  | \$7,864,790               |
| Cash Received from Other Sources   | 7,837                     |
| Cash Payments for Goods and Services   | (431,316)                 |
| Cash Payments for Claims   | <u>(6,930,823)</u>        |
| <i>Net Cash Provided by Operating Activities</i>   | 510,488                   |
| <i>Cash and Cash Equivalents Beginning of Year</i>   | <u>2,724,602</u>          |
| <i>Cash and Cash Equivalents End of Year</i>   | <u><u>\$3,235,090</u></u> |
| <br><b>Reconciliation of Operating Income to Net Cash<br/>Provided by Operating Activities</b> |                           |
| Operating Income   | \$948,108                 |
| Adjustments:   |                           |
| Change in Accounts Receivable  | (73,274)                  |
| Change in Accounts Payable   | 12,893                    |
| Change in Claims Payable   | <u>(377,239)</u>          |
| <i>Net Cash Provided by Operating Activities</i>   | <u><u>\$510,488</u></u>   |

See accompanying notes to the basic financial statements

**Boardman Local School District**  
Mahoning County, Ohio

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

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**Note 1 - Description of the District**

The Boardman Local School District (the "District") is organized under Section 2 and 3, Article VI of the Constitution of the State of Ohio to provide educational services to the students and other community members of the District. Under such laws there is no authority for a District to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms by the citizens of the District. The District serves an area of approximately 25 square miles in Mahoning County.

The District is staffed by 281 non-certificated and 350 certificated personnel to provide services to approximately 3,726 students and other community members.

**Note 2 - Summary of Significant Accounting Policies**

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

**A. - Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34", and as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District. When applying GASB Statement No. 14, management has considered all potential component units.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the debt, the issuance of debt, or the levying of taxes. The financial statements of the reporting entity include only those of the District (the primary government). The following organizations are described due to their relationship to the District.

**Boardman Local School District**  
Mahoning County, Ohio

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

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**Jointly Governed Organizations**

***Area Cooperative Computerized Educational Service System (ACCESS) Council of Governments***  
The Area Cooperative Computerized Educational Service System/ACCESS Assembly (ACCESS) is a consortium of twenty-six school districts in Mahoning and Columbiana Counties, two educational service centers, twenty non-public schools and two Special Education Regional Resource Centers.

The jointly governed organization was formed for the purpose of utilizing computers and other electronic equipment for administrative and instructional functions among member districts. These include educational management information system services, fiscal services, library services, network services and student services.

ACCESS is governed by an Assembly, which makes all decisions regarding programs, fees, budget and policy. The Assembly is composed of the Superintendent of each of the member districts. Assembly members may designate proxy attendees at meetings for voting purposes. The Assembly meets twice per year, once in November and once in May. Budgets and fees are discussed at the fall meeting, while the Board of Directors are chosen at the spring meeting.

While the Assembly has overall governance for ACCESS, the Board of Directors is selected to make the majority of the day to day operational decisions. Everything from equipment purchases, contracts, personnel action and financial oversight is handled by the Board. The Board is made up of two superintendents each from both Mahoning and Columbiana counties, and the superintendents from both the Mahoning County and Columbiana County Educational Service Centers. The ACCESS Executive Director and the Treasurer are also part of the Board of Directors, but are non-voting members.

All ACCESS revenues are generated from charges for services and State funding. Each of the members supports the ACCESS Assembly based upon a per pupil charge. Financial information can be obtained by contacting the Treasurer, Brian Stidham, at 493 Bev Road, Unit 1, Boardman, Ohio 44512.

***Mahoning County Career and Technical Center*** The Mahoning County Career and Technical Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of representatives from the participating school districts' elected boards, which possess its own budgeting and taxing authority. To obtain financial information, write to the Treasurer of the Career and Technical Center, at 7300 North Palmyra Road, Canfield, Ohio 44406.

**Public Entity Risk Pools**

***Ohio School Boards Association Workers' Compensation Group Rating Plan*** The District participates in the Retrospective Rating Plan (Retro Plan) for Workers' Compensation. In 1997, the BWC began offering a two tier Retro Plan to private and public employers. With the Retro Plan, employers initially pay the BWC less premiums than required without the plan. Participants in the Retro Plan may earn possible premium reductions by assuming a portion of the risk. The greater the portion of assumed risk taken by the District, the greater the possibility of a premium reduction there is. The District was accepted into the Retro Plan for policy year 2005.

**Boardman Local School District**  
Mahoning County, Ohio

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

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The Plan's business and affairs are conducted by a three-member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the Plan. Each year, the participating school districts pay an enrollment fee to the Plan to cover the costs of administering the program.

***B. - Fund Accounting***

The District uses funds to report its financial Position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

***Governmental Funds***

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following is the District's major governmental fund:

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

Other governmental funds of the District are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds; and (b) for the accumulation of resources for, and the repayment of, general long-term debt principal, interest and related costs; (c) for grants and other resources whose use is restricted, committed or assigned to a particular purpose.

***Proprietary Fund Type*** 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 following is a description of the District's internal service fund.

***Internal Service Fund*** The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the District on a cost reimbursement basis. The District's only internal service fund is a self-insurance fund that accounts for medical and prescription drug, dental and vision claims of the District's employees.

***Fiduciary Funds***

Fiduciary fund reporting focuses on Net Position and changes in Net Position. The fiduciary fund category is split into two classifications: private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Custodial funds are used to report fiduciary activities that are not required. The District has no fiduciary funds.

**Boardman Local School District**  
Mahoning County, Ohio

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

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

**Government-wide Financial Statements** - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses. 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 fiscal 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, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

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

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

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

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

**Boardman Local School District**  
Mahoning County, Ohio

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

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Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenue of the District's internal service fund is charges for services. Operating expenses for the internal service fund include the cost of goods and services and claims expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

***D. - Basis of Accounting***

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of net position and balance sheets will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 15 and 16.



**Boardman Local School District**  
Mahoning County, Ohio

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

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In addition to liabilities, the statements of net position and balance sheets report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the District unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 15 and 16).

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

**E. - Budgets**

The District is required by state statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2023 is as follows:

1. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer.

The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the original and final Amended Certificate issued for fiscal year 2023.

2. By July 1, the annual Appropriation Resolution is legally enacted by the Board of Education at the object level within the general fund and at the fund level of expenditures for all other District funds, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Although the legal level of budgetary control was established at the object level of expenditures for the general fund, the District has elected to present the budgetary statement comparison at the fund and function level of expenditures. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.

**Boardman Local School District**  
Mahoning County, Ohio

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

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3. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
4. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
5. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 2023.
6. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

***F. - Cash and Investments***

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's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. During fiscal 2023, the District's investments were limited to investments in the State Treasury Asset Reserve of Ohio (STAR Ohio), money market funds, Federal bonds and notes, and United States Treasury bills and notes.

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

For fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business days(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the General fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal 2023 amounted to \$927,767, of which \$91,748 was assigned from other District funds.

For purposes of the statement of net position, 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 considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at year-end is provided in Note 6.

**Boardman Local School District**  
Mahoning County, Ohio

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

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**G - Inventory**

On 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. Inventories consist of donated food, purchased food, and non-food supplies held for resale and are expensed/expended when used.

**H. - Capital Assets**

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

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

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

| Description                       | Estimated Lives |
|-----------------------------------|-----------------|
| Land Improvements                 | 15 - 50 years   |
| Buildings and Improvements        | 10 - 50 years   |
| Furniture, Fixtures and Equipment | 5 - 20 years    |
| Vehicles                          | 6 - 10 years    |
| Intangible Right to Use Lease     | 6 - 10 years    |

**I. - Interfund Balances**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental column of the Statement of Net Position.

**J. - Interfund Activity**

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

**Boardman Local School District**  
Mahoning County, Ohio

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

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***K. – Compensated Absences***

Compensated absences of the District consist of vacation leave and severance liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees’ rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. For fiscal year 2023, a severance liability was calculated using a five-year average of balances. However, historically and going forward, a liability for severance was accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees with at least 10 years of service at any age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the fund or funds from which the employees who have accumulated the leave are paid.

***L. – Accrued Liabilities and Long-Term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current 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.

***M. - Fund Balance***

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

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

**Boardman Local School District**  
Mahoning County, Ohio

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

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

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

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the District Board of Education, which may be expressed by a motion but need not be passed by formal action, such as a Board Resolution.

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

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

***N. - Net Position***

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include operation of instructional services, food service operations and extracurricular activities.

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

***O. - Estimates***

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

**Boardman Local School District**  
Mahoning County, Ohio

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

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***P. – Restricted Assets***

Assets are reported as restricted assets 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. Restricted assets include the amounts required by state statute to be set aside for budget stabilization. See Note 18 for details.

***Q. Pensions/Other Postemployment Benefits (OPEB)***

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

**Note 3 – Change in Accounting Principles**

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

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

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

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

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

**Boardman Local School District**  
Mahoning County, Ohio

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

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**Note 4 – Fund Deficits**

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

| <u>Nonmajor Governmental Funds:</u> | <u>Deficit</u>   |
|-------------------------------------|------------------|
| District Agencies Fund              | \$5,687          |
| Miscellaneous State Grants Fund     | 3,603            |
| ESSER Fund                          | 707,989          |
| IDEA Part B                         | 60,829           |
| Title I                             | 21,959           |
| Improving Teacher Quality           | 3,831            |
|                                     | <u>\$803,898</u> |

These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficit in this fund and provides transfers when cash is required, not when accruals occur. These deficit fund balances are the result of adjustments for accrued liabilities.

**Note 5 - Budgetary Basis of Accounting**

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the fund liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balances (GAAP).
4. Advances In and Advances Out are operating transactions (budget) as opposed to balance sheet transaction (GAAP).
5. \*Certain funds have legally separate adopted budgets (budget) but are included in the General Fund (GAAP).

\*As part of Governmental Accounting Standards Board No. 54 “Fund Balance Reporting”, certain funds that are legally budgeted in separate special revenue funds are considered part of the General fund on a GAAP basis. These include the uniform school supplies, adult education, public school support, television network and separation special revenue funds.

**Boardman Local School District**  
Mahoning County, Ohio

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

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

|  | Net Change in Fund Balance |
|--|----------------------------|
| GAAP Basis   | \$3,058,658                |
| Net Adjustment for Revenue Accruals                  | (192,632)                  |
| Advances In  | 22,196                     |
| Net Adjustment for Expenditure Accruals              | 837,627                    |
| Net Adjustment for Funds Budgeted as Special Revenue | 40,538                     |
| Adjustment for Encumbrances                          | (808,223)                  |
| Budget Basis   | <u>\$2,958,164</u>         |

**Note 6 - Deposits and Investments**

Monies held by the District are classified by State statute into three categories.

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

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;



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

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4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio);
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

Protection of 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.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

#### **A. Deposits**

At June 30, 2023, the carrying value amount of all the District's deposits was \$11,869,952. Based on the criteria described in GASB Statement No. 40, "Deposits and Investments Risk Disclosures", as of June 30, 2023, none of the District's bank balance of \$10,804,877 was exposed to custodial risk as described below, meaning all \$10,804,877 was covered by the Federal Deposit Insurance Corporation (FDIC) and the Ohio Polled Collateral System (OPCS).

**Custodial Credit Risk** Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for

**Boardman Local School District**  
Mahoning County, Ohio

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

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custodial credit risk beyond the requirements of State statute. Although securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

**B. Investments**

As of June 30, 2023, the District had the following investments. All investments are in an internal investment pool.

|                    | <u>Fair Value</u>   | <u>Maturity</u> |
|--------------------|---------------------|-----------------|
| STAR Ohio          | \$16,188,310        | 1 Year or less  |
| FHLB Bonds/Notes   | 527,699             | 1 Year or less  |
| US Treasury Bills  | 539,384             | 1 Year or less  |
| US Treasury Notes  | 547,773             | 1 Year or less  |
| FHLMC Bonds/Notes  | 153,220             | 1 Year or less  |
| FFCB Bonds/Notes   | 153,507             | 1 Year or less  |
| Money Market Funds | 27,539              | 1 Year or less  |
| FFCB Bonds/Notes   | 99,364              | 1 to 3 Years    |
| FHLMC Bonds/Notes  | 118,243             | 1 to 3 Years    |
| FNMA Bonds/Notes   | 140,610             | 3 to 5 Years    |
| Total Portfolio    | <u>\$18,495,649</u> |                 |

The weighted average of maturities is one 0.09 years.

**Interest Rate Risk** As a means of limiting its exposure to fair value losses caused by rising interest rates, the District's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase.

**Credit Risk** The securities underlying the repurchase agreement, commercial paper, Federal bonds and notes and money market funds had a credit risk rating of AAA by Standard and Poors. STAROhio carries a rating of AAAm by Standard & Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The District has no investment policy that would further limit its investment choices.

**Custodial Credit Risk** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the District's investment in repurchase agreements and money market funds, the entire balance is collateralized by underlying securities that are held by the investment's counterparty, not in the name of the District. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

**Boardman Local School District**  
Mahoning County, Ohio

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

**Concentration of Credit Risk** The District places no limit on the amount it may invest in any one issuer. Following are the District's investment percentages by investment type.

|                     | Fair Value   | % of Total |
|---------------------|--------------|------------|
| STAR Ohio           | \$16,188,310 | 87.52%     |
| FHLMC Bonds/Notes   | 271,463      | 1.47%      |
| FFCB Bonds/Notes    | 252,871      | 1.37%      |
| FHLB Bonds/Notes    | 527,699      | 2.85%      |
| FNMA Bonds/Notes    | 140,610      | 0.76%      |
| U.S. Treasury Bills | 539,384      | 2.92%      |
| U.S. Treasury Notes | 547,773      | 2.96%      |
| Money Market Funds  | 27,539       | 0.16%      |
| Total Portfolio     | \$18,495,649 | 100.00%    |

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

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the Statement of Net Position as of June 30, 2023:

| <u>Cash and Investments per Note Disclosure</u> |              | <u>Cash and Investments per Statement of Net Position</u> |              |
|---|--------------|---|--------------|
| Carrying amount of deposits                     | \$11,869,952 | Governmental Activities                                   | \$30,365,601 |
| Investments                                     | 18,495,649   |   |              |
| Total   | \$30,365,601 | Total   | \$30,365,601 |

**Note 7 - Property Taxes**

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

Property taxes include amounts levied against all real property and public utility property located in the District. Real property tax revenue received in calendar 2023 represent collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2021, on the assessed value listed as of January 1, 2021, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2023 represents collections of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2021 became a lien December 31, 2020, were levied after April 1, 2021 and are collected in 2023 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

**Boardman Local School District**  
Mahoning County, Ohio

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

The District receives property taxes from Mahoning County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2024 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

The amount available as an advance at June 30, 2023 was \$578,761 in the general fund and \$20,239 in the permanent improvement capital projects fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been made unavailable. The assessed values upon which the fiscal year 2023 taxes were collected are:

|   | 2022 Second<br>Half Collections |                 | 2023 First<br>Half Collections |                 |
|---|---------------------------------|-----------------|--------------------------------|-----------------|
|   | Amount                          | Percent         | Amount                         | Percent         |
| Agricultural/Residential<br>and Other Real Estate | \$878,400,540                   | 94.40 %         | \$885,400,320                  | 94.20 %         |
| Public Utility Personal                           | 52,065,680                      | 5.60            | 54,530,870                     | 5.80            |
| <b>Total</b>                                      | <b>\$930,466,220</b>            | <b>100.00 %</b> | <b>\$939,931,190</b>           | <b>100.00 %</b> |
| Tax rate per \$1,000 of<br>assessed valuation     | \$62.45                         |                 | \$62.45                        |                 |

**Boardman Local School District**  
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**Note 8 – Fund Balances**

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

| Fund Balances                       | General             | Nonmajor<br>Governmental | Total               |
|-------------------------------------|---------------------|--------------------------|---------------------|
| <b><i>Nonspendable:</i></b>         |                     |                          |                     |
| Inventory                           | \$49,635            | \$0                      | \$49,635            |
| Unclaimed Funds                     | 25,205              | 0                        | 25,205              |
| <i>Total Nonspendable</i>           | <u>74,840</u>       | <u>0</u>                 | <u>74,840</u>       |
| <b><i>Restricted for:</i></b>       |                     |                          |                     |
| Food Service Operations             | 0                   | 2,412,053                | 2,412,053           |
| Trusts & Endowments                 | 0                   | 680,274                  | 680,274             |
| Athletics & Music                   | 0                   | 313,065                  | 313,065             |
| Auxiliary Services                  | 0                   | 40,008                   | 40,008              |
| Student Wellness                    | 0                   | 281,100                  | 281,100             |
| Debt Service Payments               | 0                   | 55,713                   | 55,713              |
| Capital Improvements                | 0                   | 1,094,320                | 1,094,320           |
| Other Purposes                      | 0                   | 115,819                  | 115,819             |
| <i>Total Restricted</i>             | <u>0</u>            | <u>4,992,352</u>         | <u>4,992,352</u>    |
| <b><i>Committed to:</i></b>         |                     |                          |                     |
| Boardman Schools Television Network | 215,086             | 0                        | 215,086             |
| Termination Payments                | 177,480             | 0                        | 177,480             |
| <i>Total Committed</i>              | <u>392,566</u>      | <u>0</u>                 | <u>392,566</u>      |
| <b><i>Assigned to:</i></b>          |                     |                          |                     |
| Other Purposes                      | 68,075              | 0                        | 68,075              |
| Encumbrances                        | 380,838             | 0                        | 380,838             |
| Budget Stabilization                | 64,292              | 0                        | 64,292              |
| <i>Total Assigned</i>               | <u>513,205</u>      | <u>0</u>                 | <u>513,205</u>      |
| <b><i>Unassigned (Deficit)</i></b>  | <u>15,025,497</u>   | <u>(803,898)</u>         | <u>14,221,599</u>   |
| <i>Total Fund Balances</i>          | <u>\$16,006,108</u> | <u>\$4,188,454</u>       | <u>\$20,194,562</u> |

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**Note 9 - Capital Assets**

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

|   | Balance<br>6/30/22  | Additions            | Reductions       | Balance<br>6/30/23  |
|---|---------------------|----------------------|------------------|---------------------|
| <b>Governmental Activities:</b>                         |                     |                      |                  |                     |
| <i>Capital assets not being depreciated:</i>            |                     |                      |                  |                     |
| Land  | \$3,438,919         | \$0                  | \$0              | \$3,438,919         |
| Construction in progress                                | 0                   | 1,759,887            | 0                | 1,759,887           |
| <b>Total capital assets not being depreciated</b>       | <b>3,438,919</b>    | <b>1,759,887</b>     | <b>0</b>         | <b>5,198,806</b>    |
| <i>Capital assets being depreciated/amortized:</i>      |                     |                      |                  |                     |
| Land improvements                                       | 3,578,074           | 175,670              | 0                | 3,753,744           |
| Buildings and improvements                              | 44,521,245          | 1,315,679            | 0                | 45,836,924          |
| Furniture, fixtures and equipment                       | 4,796,063           | 117,278              | 0                | 4,913,341           |
| Vehicles  | 6,855,973           | 204,858              | (301,090)        | 6,759,741           |
| Intangible Right to Use Lease**                         | 291,593             | 0                    | 0                | 291,593             |
| <b>Total capital assets being depreciated/amortized</b> | <b>60,042,948</b>   | <b>1,813,485</b>     | <b>(301,090)</b> | <b>61,555,343</b>   |
| <i>Accumulated depreciation/amortization:</i>           |                     |                      |                  |                     |
| Land improvements                                       | (2,602,621)         | (97,296)             | 0                | (2,699,917)         |
| Buildings and improvements                              | (26,697,279)        | (738,408)            | 0                | (27,435,687)        |
| Furniture, fixtures and equipment                       | (2,944,852)         | (245,369)            | 0                | (3,190,221)         |
| Vehicles  | (5,286,936)         | (380,739)            | 301,090          | (5,366,585)         |
| Intangible Right to Use Lease**                         | (54,237)            | (58,319)             | 0                | (112,556)           |
| <b>Total accumulated depreciation/amortization</b>      | <b>(37,585,925)</b> | <b>(1,520,131) *</b> | <b>301,090</b>   | <b>(38,804,966)</b> |
| <b>Capital assets being depreciated/amortized, net</b>  | <b>22,457,023</b>   | <b>293,354</b>       | <b>0</b>         | <b>22,750,377</b>   |
| <b>Governmental activities capital assets, net</b>      | <b>\$25,895,942</b> | <b>\$2,053,241</b>   | <b>\$0</b>       | <b>\$27,949,183</b> |

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

|  |                    |
|--|--------------------|
| <b>Instruction:</b>                            |                    |
| Regular  | \$299,385          |
| Special  | 34,313             |
| Other  | 299                |
| <b>Support Services:</b>                       |                    |
| Pupil  | 201                |
| Instructional Staff                            | 71,870             |
| Administration                                 | 12,388             |
| Fiscal   | 313                |
| Business                                       | 35,310             |
| Operation and Maintenance of Plant             | 457,973            |
| Pupil Transportation                           | 458,396            |
| Central  | 8,836              |
| Operation of Non-Instructional Services        | 70,395             |
| Extracurricular                                | 70,452             |
| <b>Total Depreciation/Amortization Expense</b> | <b>\$1,520,131</b> |

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\*\*Of the current year depreciation total of \$1,520,131, \$35,310 is presented as a support services – business and \$23,009 is presented as support services – pupil transportation expense on the Statement of Activities related to the District’s intangible asset of copiers and office space, which are included in the table above as an Intangible Right to Use Lease. With the implementation of GASB Statement No. 87, *Leases*, a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

**Note 10 - Receivables**

Receivables at June 30, 2023, consisted of taxes, accounts (rent, student fees and tuition), accrued interest and intergovernmental distributions and 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 fiscal year guarantee of Federal funds. All receivables are expected to be collected within one year. A summary of the principal items of intergovernmental receivables are as follows:

|                                    |                  |
|------------------------------------|------------------|
| Non-major Governmental Funds:      |                  |
| Food Service Reimbursements        | \$464            |
| Miscellaneous State Grants         | 30               |
| IDEA Part B Grant                  | 41,200           |
| Title III Grant                    | 538              |
| Title I Grant                      | 71,800           |
| Improving Teacher Quality Grant    | 33,807           |
| Total Intergovernmental Receivable | <u>\$147,839</u> |

**Note 11 - Interfund Activity**

**A. Interfund Transfers**

Interfund transfers for the year ended June 30, 2023, consisted of the following, as reported on the fund financial statements:

|                               | <u>Transfers<br/>In</u> | <u>Transfers<br/>Out</u> |
|-------------------------------|-------------------------|--------------------------|
| Major Governmental Fund:      |                         |                          |
| General                       | \$0                     | \$612,600                |
| Non-major Governmental Funds: |                         |                          |
| Other Grant                   | 5,730                   | 0                        |
| Bond Retirement               | 606,870                 | 0                        |
| Total                         | <u>\$612,600</u>        | <u>\$612,600</u>         |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers between governmental funds are eliminated on the government-wide financials. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

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**B. Interfund Receivable/Payable**

|                               | <u>Interfund<br/>Receivable</u> | <u>Interfund<br/>Payable</u> |
|-------------------------------|---------------------------------|------------------------------|
| Major Governmental Fund:      |                                 |                              |
| General                       | \$6,492                         | \$0                          |
| Non-major Governmental Funds: |                                 |                              |
| District Agencies Fund        | 0                               | 5,687                        |
| Improving Teacher Quality     | 0                               | 805                          |
| Total                         | <u>\$6,492</u>                  | <u>\$6,492</u>               |

The primary purpose of the interfund balances is to cover negative cash balances and costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received.

**Note 12 - Long-term Obligations**

The changes in the District's long-term obligations during fiscal year 2023 were as follows:

|  | <u>Outstanding<br/>6/30/22</u> | <u>Additions</u>    | <u>Deductions</u>    | <u>Amount<br/>Outstanding<br/>6/30/23</u> | <u>Amounts<br/>due in<br/>One Year</u> |
|--|--------------------------------|---------------------|----------------------|---|--|
| <b>Governmental-Type Activities</b>                  |                                |                     |                      |   |  |
| 2011 Qualified School Construction Bonds             | \$1,162,669                    | \$0                 | (\$232,533)          | \$930,136                                 | \$232,533                              |
| 2017 Refunding Energy Conservation Bond 1.77%        | 585,000                        | 0                   | (290,000)            | 295,000                                   | 295,000                                |
| 2018 School Imp. & Refunding 2.80%                   | 710,000                        | 0                   | (60,000)             | 650,000                                   | 60,000                                 |
| Financed Purchase Agreements                         | 2,907,000                      | 0                   | (298,000)            | 2,609,000                                 | 310,000                                |
| Leases   | 243,002                        | 0                   | (56,198)             | 186,804                                   | 58,053                                 |
| Compensated Absences                                 | 2,797,729                      | 746,124             | (526,658)            | 3,017,195                                 | 585,144                                |
| <i>Total Before Net Pension &amp; OPEB Liability</i> | <u>8,405,400</u>               | <u>746,124</u>      | <u>(1,463,389)</u>   | <u>7,688,135</u>                          | <u>1,540,730</u>                       |
| <b>Net Pension Liability:</b>                        |                                |                     |                      |   |  |
| STRS & SERS Plans                                    | 28,825,411                     | 18,422,386          | 0                    | 47,247,797                                | 0                                      |
| <b>Net OPEB Liability:</b>                           |                                |                     |                      |   |  |
| SERS Plan  | 3,749,383                      | 0                   | (1,197,834)          | 2,551,549                                 | 0                                      |
| <i>Total Long-Term Obligations</i>                   | <u>\$40,980,194</u>            | <u>\$19,168,510</u> | <u>(\$2,661,223)</u> | <u>\$57,487,481</u>                       | <u>\$1,540,730</u>                     |

On August 10, 2011, the District issued Qualified School Construction Bonds of \$3,488,000 (par value) with an interest rate of 5.14 percent and maturing on 12/1/2026. The purpose of the issuance is to assist the District in paying the costs of installations, modifications and remodeling of school buildings to conserve energy. After paying issuance costs of \$69,760, the net proceeds were \$3,418,240.

The District has implemented House Bill 264 (HB264) energy conservation projects. The HB264 program is a state house bill that allows special financing opportunities for energy conservation permanent improvements in school districts. The project will encompass heating, air conditioning, and lighting improvements. The special HB264 capital lease financing agreement was for \$3,488,480 over 15 years at rates ranging from 3.30 percent to 3.62 percent. On September 29, 2018 the District issued Energy Conservation Improvement Refunding Bonds in the amount of \$1,850,000 to currently



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refund the District's 2008 Energy Conservation Improvement Bonds, dated July 3, 2008. The bonds were issued for the purpose of interest savings at a rate of 1.77 percent and will mature on January 1, 2024. This refunding resulted in cash flow savings of \$114,120 and a net present value savings of \$107,459 for the District.

In November of 2018 the Board of Education passed a resolution for the issuance and sale of refunding bonds (Stadium phase I and II) in the amount of \$845,000 for acquiring athletic facilities improvements at the Boardman High School campus and related site improvements constructed from proceeds of a lease-purchase agreement dated May 28, 2015. The bonds were issued at an interest rate of 2.80 percent and mature on June 1, 2028 and are being repaid with booster club donations. This bond was refinanced to a lower interest rate in fiscal year 20 and no principal payment was made.

On July 3, 2008, the District entered into a financed purchase agreement in the amount of \$6,050,000 for classroom additions. The term of the agreement is for 28 years at a rate of 4.40 percent and will mature on December 1, 2036.

On May 28, 2016, the District entered into a financed purchase agreement in the amount of \$1,350,000 for Phase II of the stadium project. The term of the agreement is for 8 years at a rate of 3.2 percent and matured on June 1, 2023. This agreement was repaid by donations from booster clubs associated with the District.

**Leases Payable** – The District had two lease agreements outstanding at the beginning of the fiscal year for copiers and computer equipment. Due to the implementation of GASB Statement No. 87, these leases have met the criteria of a lease thus requiring them to be recorded by the District. These leases will be amortized over their lease terms since they are shorter than the useful lives due to the District not taking ownership of the copiers and equipment. A summary of the principal and interest amounts remaining for the leases are as follows:

| Fiscal<br>Year Ending<br>June 30, | Leases           |                |                  |                    |                |                 |
|-----------------------------------|------------------|----------------|------------------|--------------------|----------------|-----------------|
|                                   | Copiers          |                |                  | Computer Equipment |                |                 |
|                                   | Principal        | Interest       | Total            | Principal          | Interest       | Total           |
| 2024                              | \$35,560         | \$2,744        | \$38,304         | \$22,493           | \$2,467        | \$24,960        |
| 2025                              | 36,733           | 1,571          | 38,304           | 23,235             | 1,725          | 24,960          |
| 2026                              | 28,343           | 385            | 28,728           | 24,001             | 959            | 24,960          |
| 2027                              | 0                | 0              | 0                | 16,439             | 201            | 16,640          |
| <b>Total</b>                      | <b>\$100,636</b> | <b>\$4,700</b> | <b>\$105,336</b> | <b>\$86,168</b>    | <b>\$5,352</b> | <b>\$91,520</b> |

*Financed Purchase Agreements:* See Note 13 for additional detailed information on the financed purchase agreements.

Compensated absences will be paid from the General fund and the Food Service, Auxiliary Services, IDEA Grant and Title I special revenue funds. The District pays obligations related to employee compensation from the fund benefitting from their service.

The financed purchases are being repaid from the General fund and the Permanent Improvement capital projects fund.

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There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the General Fund. For additional information related to the net pension liability and net OPEB liability see Notes 15 and 16.

The District's overall legal debt margin was \$82,774,384 with an unvoted debt margin of \$939,931, and a legal energy conservation debt margin of \$8,164,381 at June 30, 2023.

Principal and interest requirements to retire the school construction bonds, and energy conservation bond outstanding at June 30, 2023, are as follows:

| Fiscal year<br>Ending<br>June 30, | 2011 Qualified School<br>Construction Bonds |                  | 2017 Refunding Energy<br>Conservation Note |                | 2018 School Improvement<br>& Refunding Bonds |                 |
|-----------------------------------|---|------------------|--|----------------|--|-----------------|
|                                   | Principal                                   | ***Interest      | Principal                                  | Interest       | Principal                                    | Interest        |
| 2024                              | \$232,533                                   | \$179,283        | \$295,000                                  | \$3,938        | \$60,000                                     | \$17,360        |
| 2025                              | 232,533                                     | 179,283          | 0  | 0              | 65,000                                       | 15,610          |
| 2026                              | 232,535                                     | 179,283          | 0  | 0              | 65,000                                       | 13,790          |
| 2027                              | 232,535                                     | 89,642           | 0  | 0              | 140,000                                      | 10,920          |
| 2028                              | 0   | 0                | 0  | 0              | 160,000                                      | 6,720           |
| 2029 - 2031                       | 0   | 0                | 0  | 0              | 160,000                                      | 2,240           |
| <i>Total</i>                      | <u>\$930,136</u>                            | <u>\$627,491</u> | <u>\$295,000</u>                           | <u>\$3,938</u> | <u>\$650,000</u>                             | <u>\$66,640</u> |

\*\*\*Interest payments made on the 2012 Qualified School Construction Bonds are being offset by tax credits receipted from the Federal government in the approximate amount of \$2,744,527 through 2026. These tax credits will reduce the net amount of interest paid by the District over the life of the bonds.

**Note 13 – Financed Purchases Payable from Direct Borrowing**

In a prior fiscal year, the District entered into a financed purchase obligation for classroom additions. Financed purchase payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Governmental activities capital assets consisting of building improvements and equipment have been capitalized in the amount of \$6,050,000. This amount represents the present value of the future minimum payments at the time of acquisition.

Principal and interest payments on the classroom additions financed purchase agreement in the 2023 fiscal year totaled \$298,000 and \$130,335, respectively. These amounts are reported as debt service payments of the Permanent Improvement capital projects fund.

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

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| <u>Fiscal Year Ending June 30,</u>          |                           |
|---|---------------------------|
| 2024  | \$427,401                 |
| 2025  | 425,994                   |
| 2026  | 425,009                   |
| 2027  | 423,509                   |
| 2028  | 165,727                   |
| 2029 - 2033                                 | 823,023                   |
| 2034 - 2037                                 | <u>651,410</u>            |
| Total Minimum Financed Purchase Payments    | 3,342,073                 |
| Less: Amount Representing Interest          | <u>(733,073)</u>          |
| Present Value of Minimum Financed Purchases | <u><u>\$2,609,000</u></u> |

**Note 14 - Risk Management**

***A. Property, Fleet and Liability Insurance***

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. The District maintains comprehensive commercial insurance coverage for real property, building contents, vehicles, boilers, electronic data processing equipment and instruments.

The comprehensive commercial property coverage limit is \$170,313,838. The deductible is \$5,000 and the coinsurance is 100 percent. The business auto coverage limits are \$10,000,000 for liability and \$1,000,000 for uninsured motorists with no deductible. The District's audio-visual and computer equipment policy and musical instrument policy are covered under the commercial property coverage limit. The District's machinery and equipment policy has a \$100,000,000 annual aggregate with a \$1,000 deductible. The District's commercial crime coverage liability limit is \$100,000. The District has general liability coverage limits of \$10,000,000 each occurrence and \$10,000,000 annual aggregate.

Settled claims have not exceeded this commercial coverage in any of the past four years, and there has been no significant reduction in insurance coverage from last year.

***B. Employee Medical Benefits***

During the fiscal year, the District elected to provide medical, vision, dental and prescription drug benefits through a self-insurance program. The District maintains an insurance reserve internal service fund to account for and finance its uninsured risks of loss in this program. A third party administrator, Surest & Guardian, reviews all claims which are then paid by the District. The District pays into the insurance reserve internal service fund as follows;

|                    | <u>Medical/RX</u> | <u>Dental</u> | <u>Vision</u> |
|--------------------|-------------------|---------------|---------------|
| Family             | \$ 2,026          | \$ 104        | \$ 25         |
| Employee/Spouse    | 1,519             | 61            | 15            |
| Employee/Dependent | 1,230             | 73            | 16            |
| Single             | 724               | 31            | 9             |

The premium is paid by the fund that pays the salary for the employee and is based on historical cost information.

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The claims liability of \$707,926 reported in the internal service fund at June 30, 2023, is based on an estimate provided by the third party administrator and the requirements of the Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the claims liability amount during the last fiscal year was as follows:

|      | Balance at<br>Beginning<br>of Year | Current Year<br>Claims | Claim<br>Payments | Balance at<br>End of Year |
|------|------------------------------------|------------------------|-------------------|---------------------------|
| 2022 | \$421,957                          | 6,797,252              | 6,134,044         | \$1,085,165               |
| 2023 | 1,085,165                          | 6,553,584              | 6,930,823         | 707,926                   |

**C. Workers' Compensation**

The District participates in the Retrospective Rating Plan (Retro Plan) for Workers' Compensation. In 1997, the BWC began offering a two tier Retro Plan to private and public employers. With the Retro Plan, employers initially pay the BWC less premiums than required without the plan. Participants in the Retro Plan may earn possible premium reductions by assuming a portion of the risk. The greater the portion of assumed risk taken by the District, the greater the possibility of a premium reduction there is. The District was accepted into the Retro Plan for policy year 2005.

The District meets monthly with representatives from PRM, our third party administrator, and Comp 1, our MCO, and a consultant from the BWC. Claims are reviewed and watched to ensure that the District has maximized the potential for savings.

**Note 15 – Defined Benefit Pension Plans**

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

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

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

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

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

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

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

The remainder of this note includes the required pension disclosures. See Note 16 for the required OPEB disclosures.

**B. School Employees Retirement System**

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

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Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA, is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for calendar years 2018, 219 and 2020. SERS approved a 0.5 percent COLA for eligible retirees and beneficiaries for calendar year 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$973,470 for fiscal year 2023. Of this amount \$557,736 is reported as an intergovernmental payable.

**C. State Teachers Retirement System**

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

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

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

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

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

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

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

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

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

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The District's contractually required contribution to STRS was \$3,174,789 for fiscal year 2023. Of this amount \$532,740 is reported as an intergovernmental payable.

***D. Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred inflows of Resources Related to Pensions***

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

|   | SERS                | STRS                | Total        |
|---|---------------------|---------------------|--------------|
| Proportion of the Net Pension Liability<br>Prior Measurement Date   | 0.19295710%         | 0.16976400%         |              |
| Proportion of the Net Pension Liability<br>Current Measurement Date | <u>0.17732080%</u>  | <u>0.16939584%</u>  |              |
| Change in Proportionate Share                                       | <u>-0.01563630%</u> | <u>-0.00036816%</u> |              |
| Proportionate Share of the Net<br>Pension Liability                 | \$9,590,888         | \$37,656,909        | \$47,247,797 |
| Pension Expense   | \$444,324           | \$3,613,819         | \$4,058,143  |

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

|   | SERS               | STRS               | Total               |
|---|--------------------|--------------------|---------------------|
| <b>Deferred Outflows of Resources</b>   |                    |                    |                     |
| Differences between expected and<br>actual experience                               | \$388,439          | \$482,059          | \$870,498           |
| Net difference between projected and<br>actual earnings on pension plan investments | 0                  | 1,310,381          | 1,310,381           |
| Change of Assumptions   | 94,634             | 4,506,400          | 4,601,034           |
| Change in Proportionate Share   | 238,909            | 0                  | 238,909             |
| District contributions subsequent to<br>the measurement date                        | <u>973,470</u>     | <u>3,174,789</u>   | <u>4,148,259</u>    |
| Total Deferred Outflows of Resources  | <u>\$1,695,452</u> | <u>\$9,473,629</u> | <u>\$11,169,081</u> |
| <b>Deferred Inflows of Resources</b>  |                    |                    |                     |
| Differences between expected and<br>actual experience                               | \$62,962           | \$144,050          | \$207,012           |
| Net difference between projected and<br>actual earnings on pension plan investments | 334,675            | 0                  | 334,675             |
| Change of Assumptions   | 0                  | 3,392,024          | 3,392,024           |
| Change in Proportionate Share   | <u>581,601</u>     | <u>942,508</u>     | <u>1,524,109</u>    |
| Total Deferred Inflows of Resources   | <u>\$979,238</u>   | <u>\$4,478,582</u> | <u>\$5,457,820</u>  |



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\$4,148,259 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

|                                    | SERS               | STRS               | Total              |
|------------------------------------|--------------------|--------------------|--------------------|
| <b>Fiscal Year Ending June 30:</b> |                    |                    |                    |
| 2024                               | (\$16,660)         | (\$370,251)        | (\$386,911)        |
| 2025                               | (318,682)          | (438,171)          | (756,853)          |
| 2026                               | (478,093)          | (1,190,343)        | (1,668,436)        |
| 2027                               | 556,179            | 3,819,023          | 4,375,202          |
| Total                              | <u>(\$257,256)</u> | <u>\$1,820,258</u> | <u>\$1,563,002</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 2132.

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

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

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

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

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

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

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

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

**Discount Rate** The total pension liability was calculated using the discount rate of 7.0 percent. The discount rate determination does not use a mechanical bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 22-year amortization period of the unfunded actuarial accrued liability. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.0 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments was 28.18 percent.

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**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.0 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0 percent), or one percentage point higher (8.0 percent) than the current rate.

|  | 1% Decrease<br>(6.0%) | Current<br>Discount Rate<br>(7.0%) | 1% Increase<br>(8.0%) |
|--|-----------------------|------------------------------------|-----------------------|
| District's Proportionate Share of the<br>Net Pension Liability | \$14,117,329          | \$9,590,888                        | \$5,777,423           |

**Actuarial Assumptions - STRS**

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

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

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

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

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

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

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

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

**Discount Rate** The discount rate used to measure the total pension liability was 7.0 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.0 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

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

|  | 1% Decrease<br>(6.0%) | Current<br>Discount Rate<br>(7.0%) | 1% Increase<br>(8.0%) |
|--|-----------------------|------------------------------------|-----------------------|
| District's Proportionate Share of the<br>Net Pension Liability | \$56,885,880          | \$37,656,909                       | \$21,395,152          |

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

**E. Social Security System**

Effective, July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System of Ohio. As of June 30, 2023, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

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**Note 16 – Defined Benefit Other Postemployment Benefit (OPEB) Plans**

See note 15 for a description of the net OPEB liability (asset).

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

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

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

Funding Policy - State statute permits SERS to fund health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was \$131,634.

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$131,634 for fiscal year 2023, all of which was reported as an intergovernmental payable.

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**Plan Description - State Teachers Retirement System (STRS)**

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be continued indefinitely. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

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

***OPEB Liabilities/(Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/(asset) was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

|   | SERS         | STRS          | Total         |
|---|--------------|---------------|---------------|
| Proportion of the Net OPEB Liability (Asset)          |              |               |               |
| Prior Measurement Date                                | 0.19810940%  | 0.16976400%   |               |
| Proportion of the Net OPEB Liability (Asset)          |              |               |               |
| Current Measurement Date                              | 0.18173290%  | 0.16939584%   |               |
| Change in Proportionate Share                         | -0.01637650% | -0.00036816%  |               |
| Proportionate Share of the Net OPEB Liability (Asset) | \$2,551,549  | (\$4,386,221) | (\$1,834,672) |
| OPEB Expense  | (\$275,301)  | (\$807,847)   | (\$1,083,148) |

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

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|   | SERS               | STRS               | Total              |
|---|--------------------|--------------------|--------------------|
| <b>Deferred Outflows of Resources</b>   |                    |                    |                    |
| Differences between expected and actual experience                            | \$21,452           | \$63,589           | \$85,041           |
| Net difference between projected and actual earnings on OPEB plan investments | 13,260             | 76,351             | 89,611             |
| Change of Assumptions   | 405,855            | 186,837            | 592,692            |
| Change in Proportionate Share   | 319,898            | 289                | 320,187            |
| District contributions subsequent to the measurement date                     | 131,634            | 0                  | 131,634            |
| <b>Total Deferred Outflows of Resources</b>                                   | <b>\$892,099</b>   | <b>\$327,066</b>   | <b>\$1,219,165</b> |
| <b>Deferred Inflows of Resources</b>  |                    |                    |                    |
| Differences between expected and actual experience                            | \$1,632,160        | \$658,732          | \$2,290,892        |
| Change of Assumptions   | 1,047,427          | 3,110,259          | 4,157,686          |
| Change in Proportionate Share   | 653,083            | 37,759             | 690,842            |
| <b>Total Deferred Inflows of Resources</b>                                    | <b>\$3,332,670</b> | <b>\$3,806,750</b> | <b>\$7,139,420</b> |

\$131,634 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

|                                    | SERS                 | STRS                 | Total                |
|------------------------------------|----------------------|----------------------|----------------------|
| <b>Fiscal Year Ending June 30:</b> |                      |                      |                      |
| 2024                               | (\$574,569)          | (\$1,023,438)        | (\$1,598,007)        |
| 2025                               | (573,327)            | (1,008,133)          | (1,581,460)          |
| 2026                               | (495,723)            | (475,483)            | (971,206)            |
| 2027                               | (297,980)            | (196,966)            | (494,946)            |
| 2028                               | (212,169)            | (256,569)            | (468,738)            |
| Thereafter                         | (418,437)            | (519,095)            | (937,532)            |
| <b>Total</b>                       | <b>(\$2,572,205)</b> | <b>(\$3,479,684)</b> | <b>(\$6,051,889)</b> |

**Actuarial Assumptions - SERS**

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

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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, 2022, are presented below:

|  |  |
|--|--|
| Wage Inflation   | 2.40 percent   |
| Future Salary Increases, including inflation   | 3.25 percent to 13.58 percent                              |
| Investment Rate of Return  | 7.0 percent net of investment expense, including inflation |
| Municipal Bond Index Rate:   |  |
| Measurement Date   | 3.69 percent   |
| Prior Measurement Date   | 1.92 percent   |
| Single Equivalent Interest Rate, net of plan investment expense, including price inflation |  |
| Measurement Date   | 4.08 percent   |
| Prior Measurement Date   | 2.27 percent   |
| Medical Trend Assumption   |  |
| Medicare   | 7.00 to 4.40 percent                                       |

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020 and was adopted by the Board on April 15, 2022. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.0 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to



**Boardman Local School District**  
Mahoning County, Ohio

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

change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 15 for details.

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

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.0% decreasing to 3.40%) and higher (8.0% decreasing to 5.40%) than the current rate (7.0 percent decreasing to 4.40 percent).

|   | 1% Decrease<br>(3.08%)                            | Current<br>Discount Rate<br>(4.08%)                     | 1% Increase<br>(5.08%)                            |
|---|---|---|---|
| District's proportionate share<br>of the net OPEB liability (asset) | \$3,169,062                                       | \$2,551,549   | \$2,053,048                                       |
|   | 1% Decrease<br>(6.0 %<br>decreasing<br>to 3.40 %) | Current Trend<br>Rate (7.0%<br>decreasing<br>to 4.40 %) | 1% Increase<br>(8.0 %<br>decreasing<br>to 5.40 %) |
| District's proportionate share<br>of the net OPEB liability (asset) | \$1,967,686                                       | \$2,551,549   | \$3,314,147                                       |

**Actuarial Assumptions - STRS**

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

**Boardman Local School District**  
Mahoning County, Ohio

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

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

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

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

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

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 15.

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.0 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care plan investments of 7.0 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

**Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate** The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.0 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.0 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

|  | 1% Decrease<br>(6.0%) | Current<br>Discount Rate<br>(7.0%) | 1% Increase<br>(8.0%) |
|--|-----------------------|------------------------------------|-----------------------|
| District's proportionate share of the net OPEB asset | \$4,054,947           | \$4,386,221                        | \$4,669,988           |

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

|   | <u>1% Decrease</u> | <u>Current<br/>Trend Rate</u> | <u>1% Increase</u> |
|---|--------------------|-------------------------------|--------------------|
| District's proportionate share<br>of the net OPEB asset | \$4,549,579        | \$4,386,221                   | \$4,180,024        |

**Note 17 - Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service and hours worked. Teachers do not earn vacation time. Administrators earn twenty days of vacation annually. Accumulated unused vacation time is paid to classified employees and administrators upon termination of employment.

Each employee earns sick leave at the rate of one and one-quarter days per month. Sick leave may be accumulated without a maximum for all employees. Upon retirement, classified employees receive payments for twenty five percent of the total sick leave accumulation up to a maximum of 63 days. Teachers and administrators receive payment for twenty five percent of the total sick leave accumulation up to 65 days.

**Note 18 - Set-Asides**

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

|   | <u>Capital<br/>Improvements</u> | <u>Budget<br/>Stabilization</u> |
|---|---------------------------------|---------------------------------|
| Set-Aside Reserve Balance as of June 30, 2022               | \$0                             | \$90,185                        |
| Current Year Set-Aside Requirement                          | 861,219                         | 0                               |
| Qualifying Disbursements                                    | 0                               | (25,893)                        |
| Current year offsets  | <u>(1,390,330)</u>              | <u>0</u>                        |
| Total   | <u>(\$529,111)</u>              | <u>\$64,292</u>                 |
| Set-Aside Balance Carried Forward to<br>Future Fiscal Years | <u>\$0</u>                      | <u>\$64,292</u>                 |
| Cash balance as of June 30, 2023                            | <u>\$0</u>                      | <u>\$64,292</u>                 |

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

The total reserve balance for both set-asides at the end of the fiscal year was \$64,292.

**Boardman Local School District**  
Mahoning County, Ohio

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

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**Note 19 - Contingencies**

**A. Grants**

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

**B. Litigation**

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

**C. School District Foundation**

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. The final adjustment was not material and is not reflected in the accompanying financial statements.

**Note 20 – Tax Abatements**

As of June 30, 2023, the District provides tax abatements through an Enterprise Zone (Ezone). This program relates to the abatement of property taxes.

Ezone - Under the authority of ORC Sections 5709.62 and 5709.63, the Ezone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. An Ezone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investments. An Ezone's geographic area is identified by the local government involved in the creation of the zone. Once the zone is defined, the local legislative authority participating in the creation must petition the OSDA. The OSDA must then certify the area for it to become an active Enterprise Zone. The local legislative authority negotiates the terms of the Enterprise Zone Agreement (the "Agreement") with the business, which may include tax sharing with the City. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. The amount of the abatement deducted from the business's property tax bill was not a material amount.

**Boardman Local School District**  
Mahoning County, Ohio

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

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**Note 21 – COVID-19**

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

**Boardman Local School District**  
Mahoning County, Ohio

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

|  | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| School District's Proportion of the Net Pension Liability  | 0.177320800% | 0.192957100% | 0.175385300% | 0.187508600% | 0.198496500% | 0.196076800% | 0.195432000% | 0.204872800% | 0.204904000% | 0.204904000% |
| School District's Proportionate Share of the Net Pension Liability   | \$9,590,888  | \$7,119,557  | \$11,600,353 | \$11,218,968 | \$11,368,262 | \$11,715,186 | \$14,305,371 | \$11,690,229 | \$10,370,074 | \$12,184,983 |
| School District's Employee Payroll   | \$6,623,936  | \$6,393,007  | \$6,416,007  | \$6,449,865  | \$6,310,000  | \$6,338,864  | \$7,165,384  | \$7,890,432  | \$6,076,429  | \$6,066,770  |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Employee Payroll | 144.79%      | 111.36%      | 180.80%      | 173.95%      | 180.16%      | 184.81%      | 199.65%      | 148.16%      | 170.66%      | 200.85%      |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                 | 75.82%       | 82.86%       | 68.85%       | 70.85%       | 71.36%       | 69.50%       | 62.98%       | 69.16%       | 71.70%       | 65.52%       |

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

See accompanying notes to the required supplementary information.

**Boardman Local School District**  
Mahoning County, Ohio

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

|  | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| School District's Proportion of the Net Pension Liability  | 0.169395840% | 0.169764003% | 0.173027770% | 0.176757040% | 0.180722580% | 0.182532240% | 0.182195130% | 0.183074830% | 0.185233120% | 0.185233120% |
| School District's Proportionate Share of the Net Pension Liability   | \$37,656,909 | \$21,705,854 | \$41,866,564 | \$39,088,757 | \$39,736,838 | \$43,360,925 | \$60,986,202 | \$50,596,528 | \$45,055,105 | \$53,669,347 |
| School District's Employee Payroll   | \$22,022,264 | \$20,947,764 | \$20,881,750 | \$20,646,426 | \$18,917,807 | \$18,536,643 | \$19,170,429 | \$19,723,779 | \$19,156,308 | \$18,794,385 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Employee Payroll | 170.99%      | 103.62%      | 200.49%      | 189.32%      | 210.05%      | 233.92%      | 318.13%      | 256.53%      | 235.17%      | 285.56%      |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                 | 78.90%       | 87.80%       | 75.48%       | 77.40%       | 77.30%       | 75.30%       | 66.80%       | 72.10%       | 74.70%       | 69.30%       |

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

See accompanying notes to the required supplementary information.

**Boardman Local School District**

Mahoning County, Ohio

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

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|  | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------|-------------|-------------|
| Contractually Required Pension Contribution                                  | \$973,470   | \$927,351   | \$895,021   | \$898,241   |
| Pension Contributions in Relation to the Contractually Required Contribution | (\$973,470) | (\$927,351) | (\$895,021) | (\$898,241) |
| Contribution Deficiency (Excess)   | <u>\$0</u>  | <u>\$0</u>  | <u>\$0</u>  | <u>\$0</u>  |
| School District Employee Payroll   | \$6,953,357 | \$6,623,936 | \$6,393,007 | \$6,416,007 |
| Contributions as a Percentage of Employee Payroll                            | 14.00%      | 14.00%      | 14.00%      | 14.00%      |

See accompanying notes to the required supplementary information.



| 2019        | 2018        | 2017        | 2016          | 2015          | 2014        |
|-------------|-------------|-------------|---------------|---------------|-------------|
| \$870,691   | \$883,400   | \$887,441   | \$1,003,151   | \$1,039,959   | \$842,193   |
| (\$870,691) | (\$883,400) | (\$887,441) | (\$1,003,151) | (\$1,039,959) | (\$842,193) |
| <u>\$0</u>  | <u>\$0</u>  | <u>\$0</u>  | <u>\$0</u>    | <u>\$0</u>    | <u>\$0</u>  |
| \$6,449,565 | \$6,310,000 | \$6,338,864 | \$7,165,364   | \$7,890,432   | \$6,076,429 |
| 13.50%      | 14.00%      | 14.00%      | 14.00%        | 13.18%        | 13.86%      |

**Boardman Local School District**

Mahoning County, Ohio

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

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|  | <u>2023</u>   | <u>2022</u>   | <u>2021</u>   | <u>2020</u>   |
|--|---------------|---------------|---------------|---------------|
| Contractually Required Pension Contribution                                  | \$3,174,789   | \$3,083,117   | \$2,932,687   | \$2,923,445   |
| Pension Contributions in Relation to the Contractually Required Contribution | (\$3,174,789) | (\$3,083,117) | (\$2,932,687) | (\$2,923,445) |
| Contribution Deficiency (Excess)   | <u>\$0</u>    | <u>\$0</u>    | <u>\$0</u>    | <u>\$0</u>    |
| School District Employee Payroll   | \$22,677,064  | \$22,022,264  | \$20,947,764  | \$20,881,750  |
| Contributions as a Percentage of Employee Payroll                            | 14.00%        | 14.00%        | 14.00%        | 14.00%        |

See accompanying notes to the required supplementary information.

| 2019          | 2018          | 2017          | 2016          | 2015          | 2014          |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$2,890,500   | \$2,648,493   | \$2,595,130   | \$2,683,860   | \$2,761,329   | \$2,490,580   |
| (\$2,890,500) | (\$2,648,493) | (\$2,595,130) | (\$2,683,860) | (\$2,761,329) | (\$2,490,580) |
| <u>\$0</u>    | <u>\$0</u>    | <u>\$0</u>    | <u>\$0</u>    | <u>\$0</u>    | <u>\$0</u>    |
| \$20,646,426  | \$18,917,807  | \$18,536,643  | \$19,170,429  | \$19,723,779  | \$19,158,308  |
| 14.00%        | 14.00%        | 14.00%        | 14.00%        | 14.00%        | 13.00%        |

**Boardman Local School District**  
Mahoning County, Ohio

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

|   | 2023         | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| School District's Proportion of the Net OPEB Liability  | 0.181732900% | 0.198109400% | 0.182569500% | 0.192290300% | 0.202760000% | 0.198058700% | 0.195432000% |
| School District's Proportionate Share of the Net OPEB Liability   | \$2,551,549  | \$3,749,383  | \$3,967,833  | \$4,835,697  | \$5,556,197  | \$5,315,375  | \$5,645,406  |
| School District's Employee Payroll  | \$6,623,936  | \$6,393,007  | \$6,416,007  | \$6,449,565  | \$6,310,000  | \$6,338,864  | \$7,165,364  |
| School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Employee Payroll | 38.52%       | 58.65%       | 61.84%       | 74.98%       | 88.05%       | 83.85%       | 78.79%       |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                                 | 30.34%       | 24.08%       | 18.17%       | 15.57%       | 13.57%       | 12.46%       | 11.49%       |

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

**Boardman Local School District**  
Mahoning County, Ohio

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

|   | 2023          | 2022          | 2021          | 2020          | 2019          | 2018         | 2017         |
|---|---------------|---------------|---------------|---------------|---------------|--------------|--------------|
| School District's Proportion of the Net OPEB Liability (Asset)  | 0.169395840%  | 0.169764003%  | 0.173027770%  | 0.176757040%  | 0.180722580%  | 0.182532240% | 0.182195130% |
| School District's Proportionate Share of the Net OPEB Liability (Asset)   | (\$4,386,221) | (\$3,579,335) | (\$3,040,960) | (\$2,927,521) | (\$2,904,028) | \$7,121,734  | \$9,761,872  |
| School District's Employee Payroll  | \$22,022,264  | \$20,947,764  | \$20,881,750  | \$20,646,426  | \$18,917,807  | \$18,536,643 | \$19,170,429 |
| School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Employee Payroll | -19.92%       | -17.09%       | -14.56%       | -14.18%       | -15.35%       | 38.42%       | 50.92%       |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)                                 | 230.73%       | 174.73%       | 182.13%       | 174.74%       | 176.00%       | 47.10%       | 37.30%       |

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

**Boardman Local School District**  
Mahoning County, Ohio

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

|   | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually Required OPEB Contributions                                 | \$131,634   | \$120,834   | \$123,322   | \$117,391   | \$150,229   | \$103,318   | \$103,719   | \$101,334   | \$103,459   |
| OPEB Contributions in Relation to the Contractually Required Contribution | (\$131,634) | (\$120,834) | (\$123,322) | (\$117,391) | (\$150,229) | (\$103,318) | (\$103,719) | (\$101,334) | (\$103,459) |
| Contribution Deficiency (Excess)  | <u>\$0</u>  | <u>\$0</u>  | <u>\$0</u>  | <u>\$0</u>  | <u>\$0</u>  | <u>\$0</u>  | <u>\$0</u>  | <u>\$0</u>  | <u>\$0</u>  |
| School District Employee Payroll  | \$6,953,357 | \$6,623,936 | \$6,393,007 | \$6,416,007 | \$6,449,565 | \$6,310,000 | \$6,338,864 | \$7,165,364 | \$7,890,432 |
| Contributions as a Percentage of Employee Payroll                         | 1.89%       | 1.82%       | 1.93%       | 1.83%       | 2.33%       | 1.64%       | 1.64%       | 1.41%       | 1.31%       |

(1) Information prior to 2015 available upon request.

See accompanying notes to the required supplementary information.

**Boardman Local School District**  
Mahoning County, Ohio

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

|   | <u>2023</u>  | <u>2022</u>  | <u>2021</u>  | <u>2020</u>  | <u>2019</u>  | <u>2018</u>  | <u>2017</u>  | <u>2016</u>  | <u>2015</u>  |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually Required OPEB Contributions                                 | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          |
| OPEB Contributions in Relation to the Contractually Required Contribution | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          | \$0          |
| Contribution Deficiency (Excess)  | <u>\$0</u>   | <u>\$0</u>   | <u>\$0</u>   | <u>\$0</u>   | <u>\$0</u>   | <u>\$0</u>   | <u>\$0</u>   | <u>\$0</u>   | <u>\$0</u>   |
| School District Employee Payroll  | \$22,677,064 | \$22,022,264 | \$20,947,764 | \$20,881,750 | \$20,646,426 | \$18,917,807 | \$18,536,643 | \$19,170,429 | \$19,723,779 |
| Contributions as a Percentage of Employee Payroll                         | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        |

(1) Information prior to 2015 available upon request.

See accompanying notes to the required supplementary information.

**Boardman Local School District**

Mahoning County, Ohio

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

**Net Pension Liability**

**Changes in Assumptions – SERS**

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

Beginning with fiscal year 2017, amounts reported incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in fiscal year 2016 and prior are presented below:

|   | Fiscal Year<br>2022  | Fiscal Year<br>2017  | Fiscal Year<br>2016 & Prior                                    |
|---|--|--|--|
| Wage inflation                                  | 2.40 Percent   | 3.00 Percent   | 3.25 Percent   |
| Future Salary Increases,<br>Including Inflation | 3.25 to 13.58 Percent  | 3.50 to 18.20 Percent  | 4.00 to 22.00 Percent  |
| Investment Rate of Return                       | 7.00 Percent Net of Investment<br>Expense, Including Inflation | 7.50 Percent Net of Investment<br>Expense, Including Inflation | 7.75 Percent Net of Investment<br>Expense, Including Inflation |

Beginning in 2022, amounts reported use mortality rates 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.

Beginning with fiscal year 2017, mortality assumptions use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

***Fiscal Year 2022***

- \*Assumed rate of inflation was reduced from 3.00% to 2.40%
- \*Payroll growth assumption was reduced from 3.50% to 1.75%
- \*Assumed real wage growth was increased from 0.50% to 0.85%
- \*Cost-of-Living-Adjustments was reduced from 2.50% to 2.00%
- \*The discount rate was reduced from 7.50% to 7.00%
  
- \*Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement and disability were updated to reflect recent experience.
  
- \*Mortality among active members was updated to the following:  
PUB-2010 General Amount Weighted Below Median Employee mortality table. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.
  
- \*Mortality among service retired members was updated to the following:  
PUB-2010 General Employee Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.



**Boardman Local School District**

Mahoning County, Ohio

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

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**Net Pension Liability**

**Changes in Assumptions – SERS (continued)**

\*Mortality among contingent survivors was updated to the following:

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

\*Mortality among disabled members was updated to the following:

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

***Fiscal Year 2023***

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

**Changes of Benefit and Funding Terms – SERS**

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

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

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

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

***Fiscal Year 2022-2023***

None

**Boardman Local School District**

Mahoning County, Ohio

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

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**Net Pension Liability**

**Changes in Assumptions - STRS**

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018-2021 and fiscal year 2017 and prior are presented below:

|                                   | <u>Fiscal Year 2022</u>                            |
|-----------------------------------|--|
| Inflation                         | 2.50 Percent                                       |
| Projected Salary Increases        | Varies by Service from 2.50 to 8.50 Percent        |
| Investment Rate of Return         | 7.00 Percent, Net of Expenses, Including Inflation |
| Payroll Increases                 | 3.00 Percent                                       |
| Cost of Living Adjustments (COLA) | 0 Percent, Effective July 1, 2017                  |

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

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

Beginning with fiscal year 2022, 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.

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

**Boardman Local School District**

Mahoning County, Ohio

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

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**Net Pension Liability**

**Changes in Assumptions – STRS (continued)**

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

***Fiscal Year 2022***

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

***Fiscal Year 2023***

\*The investment and discount rate remained at 7.0 percent.

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

**Changes in Benefit Terms - STRS**

There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal years 2019 - 2022.

***Fiscal Year 2023***

\* For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

**Boardman Local School District**

Mahoning County, Ohio

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

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**Net OPEB Liability**

**Changes in Assumptions – SERS**

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

|  |              |
|--|--------------|
| Municipal Bond Index Rate:   |              |
| Fiscal year 2023   | 3.69 percent |
| Fiscal year 2022   | 1.92 percent |
| Fiscal year 2021   | 2.45 percent |
| Fiscal year 2020   | 3.13 percent |
| Fiscal year 2019   | 3.62 percent |
| Fiscal year 2018   | 3.56 percent |
| Fiscal year 2017   | 2.92 percent |
| Single Equivalent Interest Rate, net of plan investment expense, including price inflation |              |
| Fiscal year 2023   | 4.08 percent |
| Fiscal year 2022   | 2.27 percent |
| Fiscal year 2021   | 2.63 percent |
| Fiscal year 2020   | 3.22 percent |
| Fiscal year 2019   | 3.70 percent |
| Fiscal year 2018   | 3.63 percent |
| Fiscal year 2017   | 2.98 percent |

***Fiscal Year 2022***

- \*The discount rate was changed from 2.63% to 2.27%.
- \*The investment rate of return was reduced from 7.50% to 7.00%.
- \*Assumed rate of inflation was reduced from 3.00% to 2.40%
- \*Payroll Growth Assumption was reduced from 3.50% to 1.75%
- \*Assumed real wage growth was increased from 0.50% to 0.85%
- \*Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- \*Rate of health care participation for future retirees and spouses was updated to reflect recent experience.
  
- \*Mortality among active members was updated to the following:  
    PUB-2010 General Amount Weighted Below Median Employee mortality table.
  
- \*Mortality among service retired members was updated to the following:  
    PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.
  
- \*Mortality among beneficiaries was updated to the following:  
    PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.
  
- \*Mortality among disabled member was updated to the following:  
    PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.
  
- \*Mortality rates are projected using a fully generational projection with Scale MP-2020.

**Boardman Local School District**

Mahoning County, Ohio

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

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**Net OPEB Liability**

**Changes in Assumptions – SERS (continued)**

***Fiscal Year 2023***

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

\*The health care trend rates were updated.

**Changes of Benefit and Funding Terms – SERS**

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

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

***Fiscal Year 2022***

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

***Fiscal Year 2023***

None

**Boardman Local School District**

Mahoning County, Ohio

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

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**Net OPEB Liability**

**Changes in Assumptions – STRS OPEB**

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

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

***Fiscal Year 2022***

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

***Fiscal Year 2023***

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

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

**Changes in Benefit Terms – STRS OPEB**

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

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

**Boardman Local School District**

Mahoning County, Ohio

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

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

***Fiscal Year 2022***

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

***Fiscal Year 2023***

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

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**BOARDMAN LOCAL SCHOOL DISTRICT  
MAHONING COUNTY**

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

| <b>FEDERAL GRANTOR<br/>Pass Through Grantor<br/>Program / Cluster Title</b>                     | <b>Federal<br/>AL<br/>Number</b> | <b>Total Federal<br/>Expenditures</b> |
|---|----------------------------------|---------------------------------------|
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>   |                                  |                                       |
| <i>Passed Through Ohio Department of Education:</i>   |                                  |                                       |
| <i>Nutrition Cluster:</i>   |                                  |                                       |
| <i>Non-Cash Assistance (Food Distribution):</i>   |                                  |                                       |
| National School Lunch Program   | 10.555                           | \$106,232                             |
| <i>Cash Assistance:</i>   |                                  |                                       |
| School Breakfast Program  | 10.553                           | 169,490                               |
| National School Lunch Program   | 10.555                           | 1,084,724                             |
| Fresh Fruit and Vegetable Program   | 10.582                           | 14,228                                |
| Nutrition Cluster Total (Cash and Non-Cash)   |                                  | <u>1,374,674</u>                      |
| COVID-19 Pandemic Electronic Benefits Transfer (P-EBT)  | 10.649                           | 3,135                                 |
| Total P-EBT   |                                  | <u>3,135</u>                          |
| <b>Total U.S. Department of Agriculture</b>   |                                  | <b>1,377,809</b>                      |
| <b>U.S. DEPARTMENT OF EDUCATION</b>   |                                  |                                       |
| <i>Passed Through Ohio Department of Education:</i>   |                                  |                                       |
| Title 1 Grants to Local Educational Agencies  | 84.010                           | 1,021,005                             |
| <i>Special Education Cluster:</i>   |                                  |                                       |
| Special Education - Grants to States (IDEA Part B)  | 84.027                           | 1,022,177                             |
| COVID-19 American Rescue Plan - Special Education Grants to States (IDEA Part B)                | 84.027                           | 62,301                                |
| Special Education - Preschool Grants (IDEA Preschool)   | 84.173                           | 37,493                                |
| Special Education Cluster Total   |                                  | <u>1,121,971</u>                      |
| English Language Acquisition State Grants (Title III)   | 84.365                           | 19,398                                |
| Supporting Effective Instruction State Grants (Title II, Part A)                                | 84.367                           | 153,048                               |
| Student Support and Academic Enrichment Program (Title IV-A)                                    | 84.424                           | 22,877                                |
| Education Stabilization Fund (ESF) Under the Coronavirus Aid, Relief, and Economic Security Act |                                  |                                       |
| COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER I)                      | 84.425D                          | 9,504                                 |
| COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER II)                     | 84.425D                          | 247,134                               |
| COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER III)                    | 84.425D                          | 3,049,643                             |
| COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund | 84.425U                          | 12,609                                |
| Total Elementary and Secondary School Emergency Relief  |                                  | <u>3,318,890</u>                      |
| <b>Total U.S. Department of Education:</b>  |                                  | <b>5,657,189</b>                      |
| <b>Total Expenditures of Federal Awards</b>   |                                  | <b><u>\$7,034,998</u></b>             |

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

**BOARDMAN LOCAL SCHOOL DISTRICT  
MAHONING COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

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

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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

**NOTE F – NUTRITION CLUSTER**

The District has a carryover balance of \$564,601 due to receipts exceeding expenditures in prior years.

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

Boardman Local School District  
Mahoning County  
7777 Glenwood Avenue  
Boardman, Ohio 44512

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, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Boardman Local School District, Mahoning County, (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 26, 2024, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

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

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

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

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

***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*.

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

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

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

July 26, 2024

# OHIO AUDITOR OF STATE KEITH FABER



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

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

Boardman Local School District  
Mahoning County  
7777 Glenwood Avenue  
Boardman, Ohio 44512

To the Board of Education:

### Report on Compliance for Each Major Federal Program

#### ***Opinion on Each Major Federal Program***

We have audited Boardman Local School District's, Mahoning County, (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Boardman Local School District's major federal programs for the year ended June 30, 2023. Boardman 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, Boardman 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 major federal program for the year ended June 30, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of the 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 the major federal program as a whole.

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio

July 26, 2024

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**BOARDMAN LOCAL SCHOOL DISTRICT  
MAHONING COUNTY**

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

|  |
|--|
| <b>1. SUMMARY OF AUDITOR'S RESULTS</b> |
|--|

|                     |   |   |
|---------------------|---|---|
| <b>(d)(1)(i)</b>    | <b>Type of Financial Statement Opinion</b>  | Unmodified  |
| <b>(d)(1)(ii)</b>   | <b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>      | No  |
| <b>(d)(1)(ii)</b>   | <b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b> | Yes   |
| <b>(d)(1)(iii)</b>  | <b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>                        | No  |
| <b>(d)(1)(iv)</b>   | <b>Were there any material weaknesses in internal control reported for major federal programs?</b>                    | No  |
| <b>(d)(1)(iv)</b>   | <b>Were there any significant deficiencies in internal control reported for major federal programs?</b>               | No  |
| <b>(d)(1)(v)</b>    | <b>Type of Major Programs' Compliance Opinion</b>   | Unmodified  |
| <b>(d)(1)(vi)</b>   | <b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>  | No  |
| <b>(d)(1)(vii)</b>  | <b>Major Programs (list):</b>   | Special Education Cluster (AL #84.027 and 84.173)<br>Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act (AL #84.425) |
| <b>(d)(1)(viii)</b> | <b>Dollar Threshold: Type A/B Programs</b>  | Type A: > \$ 750,000<br>Type B: all others  |
| <b>(d)(1)(ix)</b>   | <b>Low Risk Auditee under 2 CFR § 200.520?</b>  | No  |

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

**FINDING NUMBER 2023-001**

**Significant Deficiency**

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

In addition, **Ohio Rev. Code § 5705.10** states in part that money paid into any fund shall be used only for the purposes for which such fund is established.

The District hired an outside accounting firm to convert the District's cash-basis financial statements to the required GAAP basis.

The District did not have policies and procedures in place to identify financial statement errors which led to Claims Payable being overstated by \$431,497. The amount was significant, and the adjustments were made to the accompanying financial statements. In addition, the District charged the Qualified School Construction Bonds payments to the Permanent Improvement Capital Projects and Bond Retirement Debt Service funds; however, the debt should be paid from the Debt Service Fund. As a result, a \$116,267 principal payment posted to the Permanent Improvement Capital Projects Fund should have been posted to the Bond Retirement Debt Service Fund. The amount is not material and was not adjusted in the filed financial statements.

Another misposting was identified; however, it was not material and the District decided not to make the adjustment.

Improper financial reporting can result in irregularities that decrease the reliability of the basic financial statements.

To help ensure the District's financial statements are complete and accurate, the District should adopt policies and procedures to identify and correct errors and omissions. In addition, the District should review the GAAP working papers to ensure the figures reported on the financial statements are accurate.

**Officials' Response:** See Corrective Action Plan.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None



**BOARDMAN BOARD OF EDUCATION**  
**7777 GLENWOOD AVE.**  
**YOUNGSTOWN, OHIO 44512-5678**

**CORRECTIVE ACTION PLAN**  
**2 CFR § 200.511(c)**  
**JUNE 30, 2023**

**Finding Number:** 2023-001

**Planned Corrective Action:** Review the documents to ensure that the proper number is included within the report

**Anticipated Completion Date:** June 30, 2024

**Responsible Contact Person:** Arthur J. Ginnetti III

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# OHIO AUDITOR OF STATE KEITH FABER



**BOARDMAN LOCAL SCHOOL DISTRICT**

**MAHONING 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 8/27/2024**

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

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