TORONTO CITY SCHOOL DISTRICT

JEFFERSON COUNTY, OHIO

SINGLE AUDIT

For the Year Ended June 30, 2024

Charles E. Harris
& Associates, Inc.
CPAs and Government Consultants

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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Board of Education
Toronto City School District
1307 Dennis Way
Toronto, Ohio 43964

We have reviewed the *Independent Auditor's Report* of the Toronto City School District, Jefferson County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2023 through June 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Toronto City School District is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

Tiffany L Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

June 26, 2025

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JEFFERSON COUNTY
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INDEPENDENT AUDITOR'S REPORT

Toronto City School District
Jefferson County
1307 Dennis Way
Toronto, Ohio 43964

To the Board of Education:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Toronto City School District, Jefferson County, Ohio (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2024, and the respective changes in financial position and 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 Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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/assets and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards (Schedule) is presented for purposes of additional analysis 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 not a required part of the basic financial statements.

The Schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.
March 28, 2025

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As management of the Toronto City School District (the School District), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the School District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

- Net position increased in fiscal year 2024, due mainly to an increase in revenues with expenses holding to nearly the same as the prior year.

- Program revenues and general revenues increased when compared to 2023 amounts .

- Program expenses remained comparable to the prior year and increased by less than 1 percent.

- The School District actively pursues grants and controls expenses while still maintaining the high academic standards the residents expect of the School District.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School District's basic financial statements. The School District basic financial statements are comprised of three components: (1) government-wide statements, (2) fund financial statements, and (3) notes to the basic financial statements.

Government-wide Financial Statements The government-wide financial statements are designed to provide the reader with a broad overview of the School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the School District's non fiduciary assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The statement of activities prepared on an accrual basis of accounting includes an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and the net OPEB liability or asset not accounted for as deferred inflows/outflows.

The government-wide financial statement distinguishes functions of the School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from those that are primarily supported through user charges (business-type activities). The School District has no business-type activities. The governmental activities of the School District include instruction, support services, extracurricular activities, operation of non-instructional services and interest and fiscal charges.

Fund Financial Statements A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the bond retirement debt service fund. All of the funds of the School District can be divided into three categories: governmental, proprietary and fiduciary.

Governmental Funds Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and 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 School 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 School District maintains an internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions.

Fiduciary Fund A fiduciary fund is used to account for resources held for the benefit of parties outside the government. The fiduciary fund is not reflected in the government-wide financial statement because the resources of this fund are not available to support the School District's own programs. These funds use the accrual basis of accounting.

Notes to the Basic Financial Statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Table 1 provides a comparison of the School District's Net Position for 2024 compared to 2023.

Table 1
Net Position

	Governmental Activities	
	2024	2023
Assets:		
Current and other assets	$ 20,272,757	$ 17,979,446
Net OPEB asset	597,323	774,910
Capital assets, net of depreciation	24,990,084	26,024,233
Total assets	45,860,164	44,778,589
Deferred outflows of resources:		
Deferred charge on refunding	182,099	190,408
Pension	2,113,529	2,267,784
OPEB	433,093	239,845
Total deferred outflows of resources	2,728,721	2,698,037
Liabilities:		
Current liabilities	1,495,748	1,482,294
Long-term liabilities:		
Due within one year	199,422	186,330
Due in more than one year:		
Net pension liability	8,668,437	8,563,082
Net OPEB liability	625,192	508,922
Other amounts due in more than one year	7,485,832	7,741,742
Total liabilities	18,474,631	18,482,370
Deferred inflows of resources:		
Property taxes	2,530,381	2,734,732
Pension	485,468	758,645
OPEB	1,006,943	1,234,966
Total deferred inflows of resources	4,022,792	4,728,343
Net Position:		
Net investment in capital assets	18,011,907	18,830,552
Restricted net position	2,244,054	3,753,656
Unrestricted net position	5,835,501	1,681,705
Total net position	$ 26,091,462	$ 24,265,913

The net pension liability (NPL) is one of the largest single liabilities reported by the School District at June 30, 2024. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by state statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by state statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the School District, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by $26,091,462 in fiscal year 2024 and $24,265,913 in fiscal year 2023.

A large portion of the School District's net position reflects "Net investment in capital assets" (i.e. land, intangible right to use asset, buildings and building improvements, land improvements, furniture, fixtures, equipment and vehicles) less any related debt to acquire those assets that are still outstanding. The School District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets increased due to an increase in cash and property taxes receivable due to the timing of tax settlement bills. This increase was offset by a decrease in capital assets from current year depreciation exceeding current year additions. Total liabilities decreased primarily from the increase in net pension liability in fiscal year 2024. The increase in net pension liability is attributable to changes into the pension system valuations. Net position increased due primarily to increases in cash and cash equivalents, net OPEB liability and the deferred inflows associated with the net pension liability.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2024 and 2023.

Table 2
Governmental Activities

	2024	2023
Revenues		
Program revenues:		
Charges for services and sales	$ 332,060	$ 344,870
Operating grants and contributions	3,016,835	2,590,722
General revenues:		
Property taxes	3,530,284	3,464,138
Grants and entitlements	7,720,497	6,993,999
Unrestricted contributions	-	12,270
Investment earnings	343,184	229,237
Miscellaneous	211	151,125
Total revenues	14,943,071	13,786,361
Program Expenses		
Instruction:		
Regular	5,442,722	5,776,790
Special	1,648,633	1,629,945
Vocational	127,331	94,203
Other	319,728	-
Support services:		
Pupils	749,958	452,100
Instructional staff	27,109	115,775
Board of education	14,875	12,438
Administration	1,241,004	1,434,754
Fiscal	438,365	379,288
Business	65,376	87,793
Operation and maintenance of plant	1,277,441	1,311,334
Pupil transportation	338,019	275,199
Central	74,295	55,096
Operation of non-instructional services:		
Food service operations	408,464	518,927
Other non-instructional services	31,931	20,614
Extracurricular activities	665,713	604,169
Fiscal and interest charges	246,558	343,512
Total expenses	13,117,522	13,111,937
Change in net position	1,825,549	674,424
Net position at beginning of year	24,265,913	23,591,489
Net position at end of year	$ 26,091,462	$ 24,265,913

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although school districts experience inflationary growth in expenses, tax revenue does not keep pace with the increased expenses due to House Bill 920. As an example, a homeowner with a home valued at $100,000 and taxed at 1.0 mill would pay $35.00 annually in taxes. If three years later the home were reappraised and increased to $200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay $35.00 and the School District would collect the same dollar value the levy generated in the year it passed. The 10 percent rollback on all residential/agricultural property and the 2.5 percent rollback on all owner-occupied homes would reduce the amount of taxes paid.

Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service.

Revenue is divided into two major components: program revenues and general revenues. Program revenues are defined as fees, restricted grants and charges for services that are program specific. General revenues include taxes and unrestricted grants such as State Foundation support.

Program revenues, in total, increased for governmental activities in fiscal year 2024, however, charges for services and sales decreased by 3.7 percent, but not related to any specific event. General revenues increased in fiscal year 2024 resulting from an increase in property taxes, grants and entitlements and investment earnings/interest. The property tax increase was less that 2 percent, however the grants and entitlements increased by just over 10 percent. This increase is from an increase in unrestricted resources received from the State and Federal government if the form of reimbursements and foundation funding.

Instruction composes the most significant portion of governmental program expenses. The increase in this program expense was only 0.5 percent when compared to the prior year. As discussed below, there was a negative expense adjustment made in 2024 for pension and OPEB related changes which would have reduced this increase slightly.

The Statement of Activities shows the cost of program services and 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 2024 compared to 2023. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

Total and Net Cost of Program Services
Governmental Activities

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total cost of Services	Net Cost of Services
Instruction	$ 7,538,414	$ (5,115,134)	$ 7,500,938	$ 5,657,838
Support Services:				
Pupils and instructional staff	777,067	(777,067)	567,875	566,355
Board of education, administration, fiscal and business	1,759,620	(1,700,096)	1,914,273	1,775,443
Operation and maintenance of plant	1,277,441	(1,102,139)	1,311,334	1,077,389
Pupil transportation	338,019	(338,019)	275,199	260,888
Central	74,295	(70,639)	55,096	30,627
Operation of non-instructional services:				
Food service operations	408,464	(7,983)	518,927	127,516
Other non-instructional services	31,931	(31,908)	20,614	20,134
Extracurricular activities	665,713	(379,084)	604,169	316,643
Interest	246,558	(246,558)	343,512	343,512
Total expenses	$ 13,117,522	$ (9,768,627)	$ 13,111,937	$ 10,176,345

The dependence upon general revenues for governmental activities is apparent as they account for a majority of the total cost of services in fiscal year 2024. The community, as a whole, is by far the primary support for the School District.

As a result of implementing the accounting standard for pension and OPEB, the School District is reporting a significant net pension liability, net OPEB liability, related deferred inflows of resources and an increase in pension expense for the fiscal year which have a negative effect on net position. In addition, the School District is reporting a net OPEB asset, deferred outflows of resources and a decrease in expenses related to OPEB, which have a positive impact on net position. The increase and decrease in pension and OPEB expense is the difference between the contractually required contributions and the pension and OPEB expense resulting from the change in the liability or asset that is not reported as deferred inflows or outflows. These amounts can be found in the reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities.

To further explain the impact of these accounting standards on the School District's net position, additional information is presented below.

Table 4
Impact of Pension and Other Post-employment Benefits Liabilities

	2024	2023
Net OPEB asset	$ 597,323	$ 774,910
Deferred outflows of resources for:		
Pension	2,113,529	2,267,784
OPEB	433,093	239,845
Net pension liability	(8,668,437)	(8,563,082)
Net OPEB liability	(625,192)	(508,922)
Deferred inflows of resources for:		
Pension	(485,468)	(758,645)
OPEB	(1,006,943)	(1,234,966)
Impact on net position from pension and OPEB reporting	$ (7,642,095)	$ (7,783,076)

The change in these account balances was made with a negative expense adjustment of $140,981 in 2024. Adjustments are made to the various functions where pension and OPEB expenses are reported.

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The general fund had an increase in fund balance primarily due to revenues continuing to outpace expenditures by over $1.million as both the property tax base and seeking out additional sources of revenue are sufficient to funding all of the programs the community desires for the students. The bond retirement fund balance decreased from the prior fiscal year due to a transfer out to the permanent improvement fund in fiscal year 2024. This transfer into the permanent improvements fund was significant and resulted in the fund being reported as major for 2024.

Table 5

Fund Balances

Fund(s)	Fund Balance June 30, 2024	Fund Balance June 30, 2023	Increase/ (Decrease)	Percent Change
General	$ 9,931,286	$ 8,251,828	$ 1,679,458	20.35%
Bond retirement	878,855	2,646,489	(1,767,634)	(66.79%)
Permanent improvement	2,208,605	119,423	2,089,182	1749.40%
Other governmental	847,086	974,017	(126,931)	(13.03%)
Total	$ 13,865,832	$ 11,991,757	$ 1,874,075	

General Fund Budgeting Highlights

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

During the course of fiscal year 2024 the School District amended its general fund budget numerous times. The School 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, the final budget basis revenue estimate is less than the original budget estimate. These revenue line items can fluctuate year to year and are budgeted on a conservative basis to try to avoid revenue overestimations. Actual revenue was lower than final budget basis because of an end of the fiscal year budget adjustment being made with known final actual amounts. The final budget appropriations were lower than the original budget appropriations by the same variance as revenues. Actual expenditures and other financing uses were lower than final budget appropriations due to the School District keeping spending in control while ensuring the programs important to the community are maintained.

Capital Assets and Long-term Liabilities

Capital Assets

During fiscal year 2024, the School District's capital asset additions included a vehicle and equipment. Please refer to Note 11 within the notes to the basic financial statements for further information on capital assets.

Debt

On December 20, 2010, the School District issued school facilities and school improvement bonds for the purpose of constructing, furnishing and equipping a new middle/high school building as well as various other improvement to existing school buildings. The bonds include capital appreciation (deep discount) bonds, Build America Term bonds and qualified school construction term bonds. The bonds were issued at a premium. The School District may elect to receive payments directly from the Secretary of the United States Treasury equal to 100 percent of the corresponding interest payable on the qualified school construction term bonds. During fiscal year 2014, the Build America Term bonds were removed from the School District through a refunding debt issuance. The capital appreciation bonds were retired in full in fiscal year 2018. The bonds were originally issued for a thirty-five-year period with final maturity now at December 1, 2029. The bonds will be retired from the bond retirement debt service fund.

On June 2, 2014, the School District issued general obligation bonds to refund a portion of the 2010 general obligation classroom facilities and school improvement bonds. The general obligation bonds included serial, term and capital appreciation (deep discount) bonds. The bonds were issued at a premium. The bonds were issued for a thirty-two-year period with a final maturity at December 1, 2045. The serial bonds were retired in full during fiscal year 2016. The capital appreciation bonds were originally sold at a discount, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is fiscal year 2031. The serial bonds were retired in full during fiscal year 2016.In fiscal year 2022, the School District entered into 2 lease agreements for postage machines. As of June 30, 2024, the School District's overall legal debt margin was $2,095,445 with an unvoted debt margin of $102,116. Please refer to Note 16 within the notes to the basic financial statements for further information on debt.

Current Financial Related Activities

Toronto is a small residential community of approximately 4,800 people along the Ohio River in Eastern Ohio. Its major business is TIMET, a worldwide producer/distributor of titanium sheet metal products. Many of its residents are employed in the area gaming industry at Mountaineer Park and Wheeling Downs as well as Franciscan University of Steubenville, Trinity Health Systems and Walmart Distribution Center. It also has a number of small and medium businesses.

Over the past several years, the School District has remained in a good financial position. The School District passed a 5 mill five-year operating levy. Voters have continued to approve a replacement of the levy. The replacement levy generates $414,642 annually. The last collection on that levy will occur in calendar year 2025. This levy provides a source of funds for the financial operations and stability of the School District. However, future finances are not without challenges as our community changes. Some of these challenges are in the future long-term effects of public utility deregulation, as well as the reduction of personal property for business inventory.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kayla Whitlatch, Treasurer at Toronto City School District, 1307 Dennis Way, Toronto, Ohio 43964.

Toronto City School District
Statement of Net Position
June 30, 2024

		Governmental Activities
Assets:		
Equity in pooled cash and cash equivalents	$	14,338,264
Cash and cash equivalents with fiscal agents		1,518,663
Receivables:		
Property taxes		3,902,608
Accounts		20,730
Intergovernmental		489,862
Inventory held for resale		2,630
Net OPEB asset		597,323
Capital assets:		
Land		121,518
Depreciable capital assets		34,742,520
Accumulated depreciation		(9,873,954)
Total capital assets		24,990,084
Total assets		45,860,164
Deferred outflows of resources:		
Deferred charge on refunding		182,099
Pension		2,113,529
OPEB		433,093
Total deferred outflows of resources		2,728,721
Liabilities:		
Accounts payable		32,445
Accrued wages and benefits		857,628
Intergovernmental payable		234,076
Accrued interest payable		25,708
Claims payable		345,891
Long-term liabilities:		
Due within one year		199,422
Due in more than one year:		
Net pension liability		8,668,437
Net OPEB liability		625,192
Other amounts due in more than one year		7,485,832
Total liabilities		18,474,631
Deferred inflows of resources:		
Property taxes		2,530,381
Pension		485,468
OPEB		1,006,943
Total deferred inflows of resources		4,022,792
Net position:		
Net investment in capital assets		18,011,907
Restricted for:		
Capital projects		188,488
Debt service		1,001,203
OPEB		112,112
Other purposes		942,251
Unrestricted		5,835,501
Total net position	$	26,091,462

See accompanying notes to the basic financial statements.

Toronto City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2024

		Program Revenues		Net (Expense) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	$ 5,442,722	$ 15,268	$ 1,157,940	$ (4,269,514)
Special	1,648,633	29,678	794,809	(824,146)
Vocational	127,331	-	82,318	(45,013)
Other	319,728	-	343,267	23,539
Support services:				
Pupils	749,958	-	-	(749,958)
Instructional staff	27,109	-	-	(27,109)
Board of education	14,875	-	3,903	(10,972)
Administration	1,241,004	-	-	(1,241,004)
Fiscal	438,365	-	-	(438,365)
Business	65,376	53,656	1,965	(9,755)
Operation and maintenance of plant	1,277,441	-	175,302	(1,102,139)
Pupil transportation	338,019	-	-	(338,019)
Central	74,295	-	3,656	(70,639)
Operation of non-instructional services:				
Food service operations	408,464	16,715	383,766	(7,983)
Other non-instructional services	31,931	-	23	(31,908)
Extracurricular activities	665,713	216,743	69,886	(379,084)
Interest and fiscal charges	246,558	-	-	(246,558)
Total governmental activities	$ 13,117,522	$ 332,060	$ 3,016,835	(9,768,627)

General Revenues:	
Property taxes levied for:	
General purposes	$ 2,708,052
Debt service	779,183
Capital classroom facilities	43,049
Grants and entitlements not restricted to specific programs	7,720,497
Investment earnings	343,184
Miscellaneous	211
Total general revenues	11,594,176
Change in net position	1,825,549
Net position beginning of year	24,265,913
Net position end of year	$ 26,091,462

See accompanying notes to the basic financial statements.

Toronto City School District
Balance Sheet
Governmental Funds
June 30, 2024

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	$ 10,369,103	$ 778,036	$ 2,208,605	$ 982,520	$ 14,338,264
Receivables:					
Property taxes	3,012,806	842,650	-	47,152	3,902,608
Accounts	20,730	-	-	-	20,730
Intergovernmental	53,883	-	-	435,979	489,862
Interfund	57,101	-	-	-	57,101
Inventory held for resale	-	-	-	2,630	2,630
Total assets	$ 13,513,623	$ 1,620,686	$ 2,208,605	$ 1,468,281	$ 18,811,195
Liabilities:					
Accounts payable	$ 22,523	$ -	$ -	$ 9,922	$ 32,445
Accrued wages and benefits	690,476	-	-	167,152	857,628
Interfund payable	-	-	-	57,101	57,101
Intergovernmental payable	189,989	-	-	44,087	234,076
Total liabilities	902,988	-	-	278,262	1,181,250
Deferred inflows of resources:					
Property taxes	1,904,936	593,775	-	31,670	2,530,381
Unavailable revenue - delinquent property taxes	733,460	148,056	-	9,741	891,257
Unavailable revenue	40,953	-	-	301,522	342,475
Total deferred inflows of resources	2,679,349	741,831	-	342,933	3,764,113
Fund balances:					
Restricted	-	878,855	-	872,153	1,751,008
Assigned	9,931,286	-	2,208,605	93,558	12,233,449
Unassigned (deficit)	-	-	-	(118,625)	(118,625)
Total fund balances	9,931,286	878,855	2,208,605	847,086	13,865,832
Total liabilities, deferred inflows of resources and fund balances	$ 13,513,623	$ 1,620,686	$ 2,208,605	$ 1,468,281	$ 18,811,195

See accompanying notes to the basic financial statements.

Toronto City School District
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2024

Total governmental fund balances		$ 13,865,832
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		24,990,084
Other long-term assets that are not available to pay for current-period expenditures and therefore are unavailable revenue in the funds:		
Property taxes receivable	$ 891,257	
Intergovernmental receivable	342,475	
Total		1,233,732
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 the governmental activities in the statement of net position.		1,172,772
The net pension and net OPEB liability are not due and payable in the current period; the net OPEB asset is not a financial resource; therefore, the asset, liability and related deferred inflows/outflows are not reported in the funds:		
Deferred outflows - pension	2,113,529	
Deferred inflows - pension	(485,468)	
Net pension liability	(8,668,437)	
Deferred outflows - OPEB	433,093	
Deferred inflows - OPEB	(1,006,943)	
Net OPEB liability	(625,192)	
Net OPEB asset	597,323	
Total		(7,642,095)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(25,708)
Deferred outflows of resources represent the deferred charge on refundings which are not reported in the funds.		182,099
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	(7,000,000)	
Capital appreciation bonds	(95,000)	
Accretion on capital appreciation bonds	(165,967)	
Premium on bonds	(87,897)	
Discount on bonds	24,173	
Leases	(1,552)	
Compensated absences	(359,011)	
Total		(7,685,254)
Net position of governmental activities		$ 26,091,462

See accompanying notes to the basic financial statements.

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

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	$ 2,536,926	$ 744,640	$ -	$ 40,776	$ 3,322,342
Intergovernmental	8,184,096	142,554	-	1,990,993	10,317,643
Interest	298,252	-	-	23	298,275
Tuition and fees	29,331	-	-	15,615	44,946
Extracurricular activities	53,656	-	-	216,743	270,399
Gifts and donations	7,305	-	-	69,886	77,191
Customer sales and service	-	-	-	16,715	16,715
Miscellaneous	211	-	-	-	211
Total revenues	11,109,777	887,194	-	2,350,751	14,347,722
Expenditures:					
Current:					
Instruction:					
Regular	4,181,608	-	-	478,678	4,660,286
Special	929,320	-	-	700,997	1,630,317
Vocational	127,566	-	-	-	127,566
Other	102,585	-	-	219,428	322,013
Support services:					
Pupils	707,506	-	-	45,357	752,863
Instructional staff	26,514	-	-	-	26,514
Board of education	14,875	-	-	-	14,875
Administration	1,219,506	-	-	35,019	1,254,525
Fiscal	402,776	15,728	-	830	419,334
Business	64,776	-	-	-	64,776
Operation and maintenance of plant	941,797	-	23,298	181,939	1,147,034
Pupil transportation	300,584	-	-	2,238	302,822
Central	54,169	-	-	20,000	74,169
Operation of non-instructional services:					
Food service operations	8,166	-	-	406,087	414,253
Other non-instructional services	300	-	-	16,965	17,265
Extracurricular activities	312,045	-	-	287,694	599,739
Capital outlay	-	-	52,520	117,450	169,970
Debt service:					
Principal retirement	1,181	160,000	-	-	161,181
Interest and fiscal charges	45	314,100	-	-	314,145
Total expenditures	9,395,319	489,828	75,818	2,512,682	12,473,647
Excess of revenues over (under) expenditures	1,714,458	397,366	(75,818)	(161,931)	1,874,075
Other financing sources (uses):					
Transfers in	-	-	2,165,000	35,000	2,200,000
Transfers out	(35,000)	(2,165,000)	-	-	(2,200,000)
Total other financing sources (uses)	(35,000)	(2,165,000)	2,165,000	35,000	-
Net change in fund balances	1,679,458	(1,767,634)	2,089,182	(126,931)	1,874,075
Fund balances beginning of year - as previously reported	8,251,828	2,646,489	-	1,093,440	11,991,757
Restatement - see note 20	-	-	119,423	(119,423)	-
Fund balances end of year	$ 9,931,286	$ 878,855	$ 2,208,605	$ 847,086	$ 13,865,832

See accompanying notes to the basic financial statements.

Toronto City School District

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Net change in fund balances - total governmental funds		$ 1,874,075
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 capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital asset additions	$ 169,970	
Depreciation expense	(1,204,119)	
Excess of depreciation expense over capital asset additions and capital contributions		(1,034,149)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These activities consist of:		
Property taxes	207,942	
Intergovernmental	342,475	
Net change in deferred inflows of resources during the year		550,417
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
Pension		838,333
OPEB		26,088
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability and net OPEB asset/liability are reported as pension and OPEB expense in the statement of activities.		
Pension		(824,766)
OPEB		101,326
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		161,181
Some items 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. These activities consist of:		
Decrease in compensated absences	6,675	
Amortization of premium	101,301	
Amortization of discount	(1,177)	
Amortization of accretion	(25,162)	
Amortization of deferred charge on refunding	(8,309)	
Decrease in accrued interest	934	
Total additional expenses		74,262
The internal service fund used by management to charge the costs of dental claims to individual funds is not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.		58,782
Change in net position of governmental activities		$ 1,825,549

See accompanying notes to the basic financial statements.

Toronto City School District

Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	$ 3,558,822	$ 2,355,586	$ 2,355,586	$ -
Intergovernmental	7,397,228	8,172,838	8,172,837	(1)
Interest	300,000	300,001	298,252	(1,749)
Tuition and fees	10,000	29,331	29,331	-
Gifts and donations	10,000	5,340	5,340	-
Miscellaneous	10,000	211	211	-
Total revenues	11,286,050	10,863,307	10,861,557	(1,750)
Expenditures:				
Current:				
Instruction:				
Regular	8,501,849	8,441,880	4,541,934	3,899,946
Special	2,014,555	2,007,713	970,139	1,037,574
Vocational	296,587	247,723	121,014	126,709
Other	137,399	126,479	104,165	22,314
Support services:				
Pupils	1,186,607	1,177,697	904,647	273,050
Instructional staff	113,215	105,862	36,618	69,244
Board of education	22,438	18,150	14,875	3,275
Administration	2,708,417	2,622,061	1,308,391	1,313,670
Fiscal	1,151,493	1,062,103	423,463	638,640
Business	15,442	12,410	4,277	8,133
Operation and maintenance of plant	2,381,617	2,381,227	989,664	1,391,563
Pupil transportation	498,630	471,049	299,148	171,901
Central	141,665	135,863	62,459	73,404
Operation of non-instructional services:				
Food service operations	2,000	1,100	1,085	15
Community services	300	400	300	100
Extracurricular activities	405,159	397,068	306,971	90,097
Capital outlay	13,277	-	-	-
Total expenditures	19,590,650	19,208,785	10,089,150	9,119,635
Excess of revenues over (under) expenditures	(8,304,600)	(8,345,478)	772,407	9,117,885
Other financing sources (uses):				
Refund of prior year expenditures	20,000	65,877	65,877	-
Transfers out	(30,000)	(35,000)	(35,000)	-
Total other financing sources (uses)	(10,000)	30,877	30,877	-
Net change in fund balance	(8,314,600)	(8,314,601)	803,284	9,117,885
Fund balance at beginning of year	8,314,601	8,314,601	8,314,601	-
Prior year encumbrances appropriated	653,139	653,139	653,139	-
Fund balance at end of year	$ 653,140	$ 653,139	$ 9,771,024	$ 9,117,885

See accompanying notes to the basic financial statements.

Toronto City School District

Statement of Fund Net Position

Internal Service Fund

June 30, 2024

	Self Insurance
Assets:	
Equity in pooled cash and cash equivalents	$ 1,518,663
Liabilities:	
Claims payable	345,891
Net position:	
Unrestricted	1,172,772
Total liabilities and net position	$ 1,518,663

See accompanying notes to the basic financial statements.

Toronto City School District

Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Fund
For the Fiscal Year Ended June 30, 2024

	Self Insurance
Operating revenues	
Charges for services	$ 1,966,411
Operating expenses:	
Purchased services	70,815
Claims	1,881,746
Total operating expenses	1,952,561
Operating income	13,850
Non-operating revenues	
Interest	44,932
Change in net position	58,782
Net position at beginning of year	1,113,990
Net position at end of year	$ 1,172,772

See accompanying notes to the basic financial statements.

Toronto City School District
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2024

	Self Insurance
Cash flows from operating activities:	
Cash received for charges for services	$ 1,966,411
Cash payments to suppliers for goods and services	(70,815)
Cash payments for claims	(1,781,418)
Net cash provided by operating activities	114,178
Cash flows from investing activities:	
Interest on investments	44,932
Net cash provided by investing financing	44,932
Net increase in cash and cash equivalents	159,110
Cash and cash equivalents at beginning of year	1,359,553
Cash and cash equivalents at end of year	$ 1,518,663
Reconciliation of operating income to net cash used for operating activities:	
Operating income	$ 13,850
Adjustments to reconcile operating income to net cash used for operating activities:	
Change in liabilities:	
Increase (decrease) in liabilities:	
Claims payable	100,328
Net cash provided by operating activities	$ 114,178

See accompanying notes to the basic financial statements.

Toronto City School District
Statement of Fiduciary Net Position
Private Purpose Trust Fund
June 30, 2024

	Scholarship
Assets:	
Equity in pooled cash and cash equivalents	$ 22,687
Liabilities:	
Total liabilities	$ -
Net position:	
Held in trust for scholarships	22,687
Total net position	$ 22,687

See accompanying notes to the basic financial statements.

Toronto City School District

Statement of Changes in Fiduciary Net Position

Private Purpose Trust Fund

For the Fiscal Year Ended June 30, 2024

	Scholarship
Additions:	
Interest	$ 140
Deductions:	
Total deductions	-
Change in net position	140
Net position beginning of year	22,547
Net position end of year	$ 22,687

See accompanying notes to the basic financial statements.

Note 1 – Description of the School District and Reporting Entity

Toronto City School District (the School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District is a city school district as defined by 3311.22 of the Ohio Revised Code.

The School District operates under a locally-elected five-member Board form of government and provides educational services to residents of the School District. The Board oversees the operations of the School District's two instructional/support facilities staffed by the 35 non-certified and 72 certified full-time teaching personnel who provide services to 837 students and other community members.

Reporting Entity

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The School District has no component units.

The School District is associated with two jointly governed organizations, an insurance purchasing pool and one risk sharing pool. These organizations are the Ohio Mid-Eastern Regional Education Service Agency, Jefferson County Joint Vocational School, the Jefferson Health Plan and the Schools of Ohio Risk Sharing Authority. These organizations are presented in Notes 17 and 18 of the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

The financial statements of the School 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 School District's accounting policies are described below.

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District however, has no business-type activities.

The *statement of net position* presents the financial condition of the governmental activities of the School 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 School 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 School 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 School District.

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

Fund Accounting

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

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

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

Bond Retirement Fund The bond retirement debt service fund accounts for and reports tax levies that are restricted for the repayment of general obligation bonds of the School District.

Permanent Improvement Fund The permanent improvement capital projects fund accounts is used to account for all transactions related to acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705.

The other governmental funds of the School District account for grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The School District only has an internal service fund.

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District's only fiduciary fund is a private purpose trust which accounts for a college scholarship program for students.

Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and 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 (e.g., revenues and other financing sources) and uses (e.g., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, 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 School District finances and meets the cash flow needs of its internal service fund.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from fiduciary funds.

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 presented for the proprietary and fiduciary funds 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 basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 8). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for the deferred charges on refundings, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to asset retirement obligations is originally measured at the amount of the corresponding liability. This amount is expensed in a systematic and rational manner over the tangible asset's useful life. The deferred outflows of resources related to pension and OPEB plans is explained in Note 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB plans and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 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 School 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. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Note 14)

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.

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.

Budgetary Data

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

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

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

Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements.

The School District utilizes a financial institution to service self-insurance payments as they come due. The balances in these accounts are presented in the statements as “cash and cash equivalents with fiscal agents.”

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment Earnings/Interest revenue credited to the general fund during 2024 amounted to $298,415 which includes $101,863 assigned from other School District funds.

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

During fiscal year 2024, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, Certain External Investment Pools and Pool Participants. The district measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of $100 million or more is appreciated. STAR Ohio reserves the right to limit the transactions to $250 million per day.

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of donated and purchased food held for resale, and materials and supplies held for consumption.

Capital Assets

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

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

Description	Estimated Lives
Land improvements	15-30 years
Buildings and improvements	30-50 years
Furniture, fixtures and equipment	5 - 20 years
Vehicles	5 - 10 years
Intangible right ot use lease	5 years

The School District is reporting intangible right to use assets related to lease assets. The lease assets include equipment and represent nonfinancial assets which are being utilized for a period of time through leases from another entity. These intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Leases Payable

The School District serves as a lessee in two noncancellable leases which are accounted for as follows:

Lessee At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Deferred Charge on Refunding

The difference between the reacquisition price (funds required to refund the old debt) of various refunding bonds and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense. This accounting loss is amortized over the remaining life of the old debt or the life of the new debt whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

Bond Premiums and Discounts

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the interest method. Bond premiums are presented as an increase, where discounts are presented as a decrease, of the face amount of the general obligation bonds payable. On the fund financial statements, bond premiums are receipted in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Interfund Balances

On 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 activities' column of the statement of net position.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees with at least five years of service with the School District.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures 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.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements and all payables, accrued liabilities and long-term obligations payable from internal service funds are reported on the internal service fund financial statements.

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

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 adopted by the School District. Restricted net position for OPEB plans represents the corresponding restricted asset amounts after considering the related deferred outflows and deferred inflows. Net position restricted for other purposes include resources restricted for education management information systems, entry-year programs, school-net professional development and miscellaneous state and federal grant programs.

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School 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.

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education or a School District official delegated that authority by resolution or State statute. State statute authorizes the Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Board of Education assigned fund balance for school support and to cover a gap between estimated revenue and appropriations in fiscal year 2025's budget.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The School 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.

Internal Activity

Transfers between governmental activities are eliminated on the government wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

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

Operating Revenues and Expenses

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

Estimates

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

Unearned Revenue

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because the amounts have not yet been earned. The School District recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

Note 3 – Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual 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 basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

3. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but which are reported on the operating statements prepared using GAAP.

4. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).

5. Budgetary revenues and expenditures of the public-school support fund are classified to the general fund for GAAP reporting purposes.

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

Net Change in Fund Balance

	General
GAAP basis	$ 1,679,458
Revenue accruals	(126,722)
Expenditure accruals	(153,098)
Budgeted as part of special revenue fund:	
Revenues	(55,621)
Expenditures	61,591
Encumbrances (Budget Basis) outstanding at year end	(602,324)
Budget basis	$ 803,284

Note 4 – Fund Balances

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

Fund Balances	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Restricted for					
Food service	$ -	$ -	$ -	$ 6,933	$ 6,933
Scholarships and awards	-	-	-	41,183	41,183
Preschool	-	-	-	59,650	59,650
Classroom facilities maintenance	-	-	-	370,060	370,060
Various student activities	-	-	-	195,035	195,035
Capital improvements	-	-	-	188,488	188,488
Elementary and secondary education	-	-	-	7,717	7,717
Student support and academic enrichment	-	-	-	2,462	2,462
Improving teacher quality	-	-	-	625	625
Debt service payments	-	878,855	-	-	878,855
Total restricted	-	878,855	-	872,153	1,751,008
Assigned for					
Capital improvements	-	-	2,208,605	93,558	2,302,163
Public school support	53,607	-	-	-	53,607
Encumbrances	601,864	-	-	-	601,864
Next fiscal year budget	9,275,815	-	-	-	9,275,815
Total assigned	9,931,286	-	2,208,605	93,558	12,233,449
Unassigned (deficit)	-	-	-	(118,625)	(118,625)
Total fund balances	$ 9,931,286	$ 878,855	$ 2,208,605	$ 847,086	$ 13,865,832

Note 5 – Accountability

At June 30, 2024, the following funds have deficit balances:

Fund		Deficit Balance
Public school preschool	$	29,652
IDEA Part B		65,978
Title I		22,995

These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the general fund needed for operations until the receipt of grant monies. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 6 – Deposits and Investments

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

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

Inactive deposits are public deposits that the Board 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.

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio).

8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. 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.

An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments

As of June 30, 2024, the School District had STAR Ohio as an investment. STAR Ohio is being held with an amount of $5,585,558 which is valued at net asset value per share. The average maturity is 46.5 days.

Note 7 – Receivables

Receivables at June 30, 2024, consisted of taxes, accounts and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current fiscal year guarantee of federal funds. All receivables, except for property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities		Amounts
Foundation reimbursement	$	12,930
Medicaid reimbursement		26,890
Tuition from other districts		14,063
ECE preschool grant		20,695
ESSER grant		309,269
Special education IDEA, Part B		8,788
Title I		51,220
Title IV		22,893
Title II		23,114
Total	$	489,862

Note 8 – Property Taxes

Property taxes are levied and assessed on a calendar year basis while the School District's 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 School District. Real property tax revenues received in calendar year 2024 represents collections of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed value listed as of January 1, 2023, the lien date. Assessed values for real property 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 revenues received in calendar year 2024 represents collections of calendar year 2023 taxes. Public utility real and tangible personal property taxes received in calendar year 2023 become a lien December 31, 2022, were levied after April 1, 2023, and are collected in calendar year 2024 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2024, 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 were levied to finance current fiscal year operations are 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. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The amount available as an advance at June 30, 2024, was $374,410 in the general fund, $5,741 in the classroom facilities special revenue fund and $100,819 in the bond retirement debt service fund. The amount available as an advance at June 30, 2023, was $193,070 in the general fund, $3,152 in the classroom facilities special revenue fund and $58,250 in the bond retirement debt service fund.

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

Property Category	2023 Assessed Value	2022 Assessed Value
Real Property		
Residential, agricultural, commercial and industrial	$ 78,515,440	$ 78,228,590
Public utilities	45,250	41,640
Tangible Personal Property		
General	23,555,370	23,319,850
Total	$ 102,116,060	$ 101,590,080

Note 9 – Interfund Balances

Interfund balances at June 30, 2024 consisted of the following

	Interfund Receivable	Interfund Payable
General fund	$ 57,101	$ -
Nonmajor governmental funds	-	57,101
	$ 57,101	$ 57,101

Interfund receivables and payables at June 30, 2024, are due to the timing of the receipt of grant monies and monies collected for some programs received by various funds. The general fund provides money to operate the programs until grants and other monies are received and the advances can be repaid. These loans are expected to be repaid in one year.

Note 10 – Other Employee Benefits

Compensated Absences

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

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 260 days for certified personnel and 265 days for classified personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 55 days for certified employees and 57 days for classified employees.

Note 11 – Capital Assets

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

Governmental Activities	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets, not being depreciated:				
Land	$ 121,518	$ -	$ -	$ 121,518
Capital assets, being depreciated:				
Land improvements	6,296,660	-	-	6,296,660
Buildings and improvements	26,454,539	-	-	26,454,539
Furniture, fixtures and equipment	1,211,346	109,705	-	1,321,051
Vehicles	603,365	60,265	-	663,630
Intangible right to use:				
Equipment - copiers	6,640	-	-	6,640
Total capital assets, being depreciated	34,572,550	169,970	-	34,742,520
Less: Accumulated depreciation:				
Land improvements	(1,978,555)	(301,711)	-	(2,280,266)
Buildings and improvements	(5,686,936)	(749,159)	-	(6,436,095)
Furniture, fixtures and equipment	(527,223)	(111,988)	-	(639,211)
Vehicles	(473,151)	(39,933)	-	(513,084)
Intangible right to use:				
Equipment - copiers	(3,970)	(1,328)	-	(5,298)
Total accumulated depreciation	(8,669,835)	(1,204,119)	-	(9,873,954)
Total capital assets being depreciated, net	25,902,715	(1,034,149)	-	24,868,566
Governmental activities capital assets, net	$ 26,024,233	$ (1,034,149)	$ -	$ 24,990,084

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 927,297
Special	2,244
Support services:	
Instructional staff	1,079
Administration	13,369
Business	600
Operation and maintenance of plant	148,468
Pupil transportation	34,662
Central	447
Operation of non-instructional services:	
Food service	949
Community service	14,675
Extracurricular activities	60,329
Total depreciation expense	$ 1,204,119

** Of the current year depreciation/amortization total of $1,204,119, $1,328 is presented as administrative expenses on the statement of activities related to the School District's intangible asset of two postage machines, which are included as an intangible right to use leases.

NOTE 12 – RISK MANAGEMENT

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the School District contracted with Schools of Ohio Risk Sharing Authority (SORSA) for various types of insurance. Coverage is as follows:

Coverage	Deductible	Liability Limit
Building and Business Personal Property	$1,000	*
*all SORSA members covered up to $350,000,000		
Limit including extensions of coverage		
Earthquake	50,000	$2,000,000
Flood Limit	50,000	2,000,000
Equipment Breakdown	1,000	300,000,000
CFC Refrigerants	1,000	250,000
Hazardous Substance	1,000	250,000
Spoilage	1,000	250,000
Expediting expenses	1,000	250,000
Crime Coverage		
Employee Dishonesty	1,000	100,000
Forgery or Alteration	1,000	100,000
Computer Fraud	1,000	100,000
Theft, Disappearance and Destruction	1,000	100,000
General Liability		
Bodily Injury		15,000,000
Personal Injury		15,000,000
Products/Completed Operations		15,000,000
Employers Stop Gap Liability		
Bodily Injury by accident - each accident		15,000,000
Bodily Injury by disease - policy limit		15,000,000
Bodily Injury by disease - each employee		15,000,000
Aggregate Limit		15,000,000
General Annual Aggregate		17,000,000
Fire Legal Liability		500,000
Medical Payments Occurrence/Aggregate		10,000/25,000
Educator's Legal Liability		
Wrongful Acts Coverage	2,500	
Per occurrence		15,000,000
Aggregate		15,000,000
Employee Benefits Liability		15,000,000
Automobile Liability		
Bodily injury & property damages per occur		15,000,000
Medical payments		10,000/25,000
Uninsured/underinsured motorist		100,000/1,000,000

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

Worker's Compensation

For fiscal year 2024, the School District participated in the Ohio School Boards Association Workers' Compensation Group Retrospective Rating Program (GRP), a group rating plan. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

Employee Insurance Benefits

The School District offers medical, surgical, and dental insurance to employees through a self-insurance internal service fund. The School District's monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. The claims liability of $345,891 reported in the internal service funds at June 30, 2024, is estimated by and based on the requirements of the Governmental Accounting Standards Board Statement No. 30 which required that a liability for unpaid claims 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 funds' claims liability amounts for 2023 and 2024 were:

Fiscal Year	Balance at Benning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2023	$ 210,373	$ 2,241,867	$ (2,206,677)	$ 245,563
2024	245,563	1,881,746	(1,781,418)	345,891

Note 13 – Contingencies

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2024, if applicable, cannot be determined at this time.

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (ODEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, all ODEW adjustments for fiscal year 2024 have been finalized.

Litigation

The School District is not a party to any material legal proceedings.

Note 14 – Defined Benefit Pension Plans and OPEB Plans

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions between an employer and its employees of salaries and benefits for employee services. Pensions/OPEB are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period.

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

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

GASB Statements 68 and 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.

A. Defined Benefit Pension Plans

School Employee Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of service credit or Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2 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. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2022, the Board of Trustees approved a 2.5 percent cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

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

The School District's contractually required contribution to SERS was $218,619 for fiscal year 2024. Of this amount $8,800 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20 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, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

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

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

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

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

The School District's contractually required contribution to STRS was $619,714 for fiscal year 2024. Of this amount $86,648 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the net pension liability - prior measurement date	0.0353180%	0.0299270%	
Proportion of the net pension liability - current measurement date	0.0371809%	0.0307129%	
Change in proportionate share	0.0018629%	0.0007859%	
Proportionate share of the net pension liability	$2,054,440	$6,613,997	$8,668,437
Pension expense	$273,637	$584,830	$858,467

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 88,304	$ 241,132	$ 329,436
Changes of assumptions	14,553	544,699	559,252
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	83,841	302,667	386,508
School District contributions subsequent to the measurement date	218,619	619,714	838,333
Total deferred outflows of resources	$ 405,317	$ 1,708,212	$ 2,113,529
Deferred inflows of resources			
Net difference between expected and actual experience	$ -	$ 14,677	$ 14,677
Changes of assumptions	-	410,001	410,001
Net difference between projected and actual earnings on pension plan investments	28,877	19,822	48,699
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	-	12,091	12,091
Total deferred inflows of resources	$ 28,877	$ 456,591	$ 485,468

$838,333 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year	SERS	STRS	Total
2025	$ 54,293	$ 48,847	$ 103,140
2026	(50,149)	(103,175)	(153,324)
2027	152,147	689,329	841,476
2028	1,530	(3,094)	(1,564)
Total	$ 157,821	$ 631,907	$ 789,728

Actuarial Assumptions - SERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

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

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

Wage inflation:	
Current measurement date	2.4 percent
Prior measurement date	2.4 percent
Future salary increases, including inflation:	
Current measurement date	3.25 percent to 13.58 percent
Prior measurement date	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA:	
Current measurement date	2.0 percent
Prior measurement date	2.0 percent
Investment rate of return:	
Current measurement date	7.0 percent net of system expense
Prior measurement date	7.0 percent net of system expense
Discount rate:	
Current measurement date	7.0 percent
Prior measurement date	7.0 percent
Actuarial cost method	Entry age normal

In 2023, 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.

In the prior measurement date, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 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 using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	2.00 %	0.75 %
US equity	24.75	4.82
International equity developed	13.50	5.19
International equity emerging	6.75	5.98
Fixed income/Global bonds	19.00	2.24
Private equity	12.00	7.49
Real estate/Real assets	17.00	3.70
Private debt/Private credit	5.00	5.64
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.0 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 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.

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

	1% Decrease (6.00%)	Current discount rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$ 3,032,243	$2,054,440	$1,230,820

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023 actuarial valuation, compared with June 30, 2022 actuarial valuation, are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.5 percent	2.5 percent
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment rate of return	7.0 percent, net of investment expenses, including inflation	7.0 percent, net of investment expenses, including inflation
Discount rate of return	7.0 percent	7.0 percent
Payroll increases	3.0 percent	3.0 percent
Cost-of-Living Adjustment (COLA)	0.0 percent	0.0 percent

For the June 30, 2023 actuarial valuation, 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.

For the prior measurement date, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

Asset class	Target allocation *	Long term expected real rate of return**
Domestic equity	26.00 %	6.60 %
International equity	22.00	6.80
Alternatives	19.00	7.38
Fixed income	22.00	1.75
Real estate	10.00	5.75
Liquidity reserves	1.00	1.00
Total	100.00 %	

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

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

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

	1% Decrease (6.00%)	Current discount rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$ 10,170,864	$6,613,997	$3,605,861

Assumption and Benefit Changes Since the Prior Measurement Date - The discount rate remained at 7.00% for June 30, 2023 valuation. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

B. Defined Benefit OPEB Plans

School Employee Retirement System

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2024, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was $30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the District's surcharge obligation was $26,088.

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 School District's contractually required contribution to SERS was $26,088 for fiscal year 2024. Of this amount $26,088 is reported as a pension obligation payable.

State Teachers Retirement System

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

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

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

The net OPEB liability or asset was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability or asset was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability or asset was based on the School 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 - prior measurement date	0.0362476%	0.0299270%	
Proportion of the net OPEB liability or asset - current measurement date	0.0379492%	0.0307129%	
Change in proportionate share	0.0017016%	0.0007859%	
Proportionate share of the net OPEB liability (asset)	$625,192	($597,323)	$27,869
OPEB expense	($56,329)	($31,437)	($87,766)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 1,302	$ 931	$ 2,233
Changes of assumptions	211,396	87,995	299,391
Net difference between projected and actual earnings on pension plan investments	4,845	1,066	5,911
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	97,129	2,355	99,484
School District contributions subsequent to the measurement date	26,088	-	26,088
Total deferred outflows of resources	$ 340,760	$ 92,347	$ 433,107
Deferred inflows of resources			
Differences between expected and actual experience	$ 322,435	$ 91,106	$ 413,541
Changes of assumptions	177,561	394,105	571,666
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	15,925	5,811	21,736
Total deferred inflows of resources	$ 515,921	$ 491,022	$ 1,006,943

$26,088 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	SERS	STRS	Total
2025	$ (85,517)	$ (174,389)	$ (259,906)
2026	(69,266)	(81,724)	(150,990)
2027	(32,048)	(31,266)	(63,314)
2028	(17,484)	(42,161)	(59,645)
2029	(15,589)	(38,757)	(54,346)
Thereafter	18,655	(30,378)	(11,723)
Total	$ (201,249)	$ (398,675)	$ (599,924)

Actuarial Assumptions - SERS

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

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

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

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

Wage inflation:	
Current measurement date	2.40 percent
Prior measurement date	2.40 percent
Future salary increases, including inflation:	
Current measurement date	3.25 percent to 13.58 percent
Prior measurement date	3.25 percent to 13.58 percent
Investment rate of return:	
Current measurement date	7.00 percent net of system expense, including inflation
Prior measurement date	7.00 percent net of system expense, including inflation
Municipal Bond Index Rate:	
Current measurement date	3.86 percent
Prior Measurement Date	3.69 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Current measurement date	4.27 percent
Prior Measurement Date	4.08 percent
Medical Trend Assumption:	
Current measurement date	6.75 to 4.40 percent
Prior measurement date	7.00 to 4.40 percent

In 2023, the following mortality assumptions were used:

Healthy Retirees - 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.

Disabled Retirees - 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.

Contingent Survivors - 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.

Actives - PUB-2010 General Amount Weighted Below Median Employee mortality table.

Mortality Projection - Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 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 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 14 A.

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2023, was 4.27%. The discount rate used to measure total OPEB liability prior to June 30, 2023, was 4.08%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan’s fiduciary net position is projected to be depleted in 2048 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2022 and the June 30, 2023 total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.86% at June 30, 2023 and 3.69% at June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate (6.75% decreasing to 4.40%).

	1% Decrease	Current discount rate	1% Increase
School District's proportionate share of the net OPEB liability	$ 799,175	$625,192	$488,000

	1% Decrease	Current trend rate	1% Increase
School District's proportionate share of the net OPEB liability	$ 459,307	$625,192	$845,013

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023 actuarial valuation, compared with June 30, 2022 actuarial valuation, are presented below:

	June 30, 2023		June 30, 2022	
Inflation	2.50 percent		2.50 percent	
Projected salary increases	Varies by service from 2.50 percent to 8.50 percent		Varies by service from 2.50 percent to 8.50 percent	
Investment rate of return	7.00 percent, net of investment expenses, including inflation		7.00 percent, net of investment expenses, including inflation	
Discount rate of return	7.00 percent		7.00 percent	
Payroll increases	3.00 percent		3.00 percent	
Cost-of-Living Adjustment (COLA)	0.00 percent		0.00 percent	
Blended discount rate of return	n/a		n/a	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50 percent	4.14 percent	7.50 percent	3.94 percent
Medicare	-10.94 percent	4.14 percent	-68.78 percent	3.94 percent
Prescription Drug				
Pre-Medicare	-11.95 percent	4.14 percent	9.00 percent	3.94 percent
Medicare	1.33 percent	4.14 percent	-5.47 percent	3.94 percent

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

For the June 30, 2023 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00 percent for the June 30, 2023 valuation.

Benefit Term Changes Since the Prior Measurement Date - Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

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 14 A.

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

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current discount rate	1% Increase
School District's proportionate share of the net OPEB asset	$ (505,556)	($597,323)	($677,242)

	1% Decrease	Current trend rate	1% Increase
School District's proportionate share of the net OPEB asset	$ (680,951)	($597,323)	($496,594)

C. SOCIAL SECURITY SYSTEM

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. The Board's liability is 6.2% of wages paid for those that choose Social Security.

Note 15 – Set-Asides

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the year must be held in cash at fiscal 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 acquisitions. Disclosure of this information is required by State statute.

	Capital Maintenance Reserve
Set aside balance as of June 30, 2023	$ -
Current year set-aside requirement	162,433
Current year offset	(223,929)
Total	$ (61,496)
Cash balance carried forward to fiscal year 2025	$ -

Although the School District had qualifying 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.

Note 16 – Long-Term Obligations

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

	Principal Outstanding 7/1/2023	Additions	Reductions	Principal Outstanding 6/30/2024	Amount Due in One Year
General Obligation Bonds:					
2010 Classroom facilities and school improvement					
Bonds	$ 1,110,000	$ -	$ (160,000)	$ 950,000	$ 160,000
Premium	37,492	-	(37,492)	-	-
2014 Classroom facilities and school improvement refunding					
Bonds	6,050,000	-	-	6,050,000	-
Premium	78,288	-	(53,893)	24,395	-
Discount	(25,350)	-	1,177	(24,173)	-
2014 Capital appreciation bonds	95,000	-	-	95,000	-
Accretion	140,805	25,162	-	165,967	-
Premium	73,418	-	(9,916)	63,502	-
Total general obligation bonds	7,559,653	25,162	(260,124)	7,324,691	160,000
Other Long-term Obligations:					
Net pension liability:					
STRS	6,652,809	-	(38,812)	6,613,997	-
SERS	1,910,273	144,167	-	2,054,440	-
Total net pension liability	8,563,082	144,167	(38,812)	8,668,437	-
Net OPEB liability:					
SERS	508,922	116,270	-	625,192	-
Leases:					
Postage machine - high school	514	-	(514)	-	-
Postage machine	2,219	-	(667)	1,552	681
Total Leases	2,733	-	(1,181)	1,552	681
Compensated absences	365,686	18,474	(25,149)	359,011	38,741
Total other long-term obligations	9,440,423	278,911	(65,142)	9,654,192	39,422
Total governmental activities long-term liabilities	$ 17,000,076	$ 304,073	$ (325,266)	$ 16,978,883	$ 199,422

Bond Issue	Interest Rate	Original Issue	Maturity
2010 Classroom facilities and school improvement			
Qualified school construction bonds			
Current interest term bonds	7.00%	1,750,000	2029
2014 Classroom facilities and school improvement refunding			
Current interest term bonds	4.00%	6,050,000	2046
Capital appreciation bonds	1.25% to 2.15%	95,000	2031

Compensated absences will be paid from the general fund and the food service, public school preschool, ESSER, Title VI-B and Title I special revenue funds. There are no repayment schedules for the net pension liability and net OPEB liability. However, employer pension and OPEB contributions are made from following funds: the general fund and the food service, public school preschool, Title VI-B, Title I and Title II- A special revenue funds. For additional information related to the net pension and net OPEB liabilities see Note 14. The leases payable will be paid from the general fund.

On December 20, 2010, the School District issued $8,199,996 in school facilities and school improvement bonds for the purpose of constructing, furnishing and equipping a new middle/high school building as well as various other improvement to existing school buildings. The bonds include capital appreciation (deep discount) bonds, Build America Term bonds and qualified school construction term bonds in the amounts of $249,996, $6,200,000 and $1,750,000, respectively. The bonds were issued at a premium of $452,810. The School District may elect to receive payments directly from the Secretary of the United States Treasury equal to 100 percent of the corresponding interest payable on the qualified school construction term bonds. During fiscal year 2014, the Build America Term bonds were removed from the School District through a refunding debt issuance. The capital appreciation bonds were retired in full in fiscal year 2018. The bonds were originally issued for a thirty-five-year period with final maturity now at December 1, 2029. The bonds will be retired from the bond retirement debt service fund.

The qualified school construction term bonds maturing on December 1, 2028 are subject to mandatory sinking fund redemption for annual principal payment amounts and semi-annual payments for interest.

On June 2, 2014, the School District issued $6,200,000 in general obligation bonds to refund a portion of the 2010 general obligation classroom facilities and school improvement bonds. The general obligation bonds included serial, term and capital appreciation (deep discount) bonds in the amount of $55,000, $6,050,000 and $95,000, respectively. The bonds were issued at a premium of $176,438. The bonds were issued for a thirty-two year period with a final maturity at December 1, 2045. The serial bonds were retired in full during fiscal year 2016.

The capital appreciation bonds were originally sold at a discount of $380,000, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is fiscal year 2031. The maturity amount of outstanding capital appreciation bonds is $475,000. The accretion recorded for fiscal year 2024 was $25,162, for a total outstanding bond liability of $165,967.

The term bonds mature on December 1, 2032, 2034, 2037, 2040, 2043, 2045 are subject to mandatory sinking fund redemption for annual principal payment amounts beginning in fiscal year 2032, and semi-annual payments for interest.

The School District has been designated an "approved special needs School District" by the Ohio Superintendent of Public Instruction. As a result, any debt of the School District authorized by the School District's voters at the election held on November 2, 2010, in excess of the 9 percent limitation is exempted from that limitation pursuant to Ohio Revised Code Section 133.06(D)(2).

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

Fiscal Year	Principal	Interest	Compounded Interest	Total Payment
2025	$ 160,000	$ 302,900	$ -	$ 462,900
2026	185,000	290,825	-	475,825
2027	190,000	277,700	-	467,700
2028	205,000	263,875	-	468,875
2029	210,000	249,350	-	459,350
2030-2034	885,000	1,163,400	380,000	2,428,400
2035-2039	1,765,000	887,900	-	2,652,900
2040-2044	2,410,000	469,600	-	2,879,600
2045-2046	1,085,000	42,100	-	1,127,100
Total	$ 7,095,000	$ 3,947,650	$ 380,000	$11,422,650

Lease Payable - The School District has outstanding agreements to lease two postage meters. The future lease payments were discounted based on the interest rate implicit in the lease or using the School District's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. A summary of the principal and interest amounts for the remaining leases is as follows:

	Principal	Interest
2025	$ 681	$ 26
2026	695	12
2027	176	1
Total	$ 1,552	$ 39

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS

Ohio Mid-Eastern Regional Education Service Agency (OME-RESA) The Ohio Mid-Eastern Regional Educational Service Agency was created as a regional council of governments pursuant to State Statues. OME-RESA has twelve participating counties consisting of Belmont, Carroll, Columbiana, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Monroe, Muskingum, Noble and Tuscarawas Counties. OME-RESA operates under the direction of a Board consisting of one representative from each of the participating school district's elected boards, plus a joint vocational service representative, the fiscal agent superintendent and a treasurer, which possesses its own budgeting and taxing authority. The degree of control exercised by any participating school district is limited to its representation on the Board. OME-RESA provides financial accounting services, educational management information, internet access and cooperative purchasing services to member districts. The School District participates in the natural gas sales service program. This program allows schools to purchase natural gas at reduced rates. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage and any necessary adjustments are made. The School District no longer pays OME-RESA directly for the gas purchases, but instead pays the gas vendor. The School District paid OME-RESA $64,335 for financial accounting services, educational management information, internet access, student services systems, and automated notification systems for fiscal year 2024.

The Jefferson County Educational Service Center serves as the fiscal agent and receives funding from the State Department of Education. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency, Treasurer, at 2230 Sunset Blvd., Suite 2, Steubenville, Ohio 43952.

Jefferson County Joint Vocational School The Jefferson County Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating school district's elected boards, which possesses its own budgeting and taxing authority. The degree of control exercised by any participating school district is limited to its representation on the Board. During fiscal year 2024, the School District made no contributions to the Vocational School District. To obtain financial information write to the Jefferson County Joint Vocational School, Treasurer, at 1509 County Highway 22A, Bloomingdale, Ohio 43910.

NOTE 18 – PUBLIC ENTITY POOLS

Insurance Purchasing Pool

Jefferson Health Plan The School District participates in the Jefferson Health Plan (formally known as OME-RESA Health Benefits Consortium), an insurance purchasing pool. The plan's business and affairs are conducted by a Board of Trustees consisting of the current Superintendent of each of the school districts and county boards of education in the Plan. The Executive Director, or his designee, serves as coordinator of the program. Each month, the participating school districts pay a premium to the Plan to cover the costs of administering the program.

Shared Risk Pool

Schools of Ohio Risk Sharing Authority The School District participates in the Schools of Ohio Risk Sharing Authority (SORSA), a risk sharing pool with over 125 members. SORSA is a 100 percent member- owned, non-profit insurance risk pool owned and governed by the school district members. SORSA is governed by a Board of Directors composed of representatives of school districts that participate in the program.

SORSA has agreements with several separate organizations whereby each provides certain administrative, executive, accounting, marketing, underwriting, claim settlement, legal counsel and other services to SORSA and its members. Pursuant to participation agreements with SORSA, each member school district agrees to pay all funding rates associated with the coverage elected. This coverage includes comprehensive general liability, property insurance and automobile liability insurance. To obtain financial information write to the Schools of Ohio Risk Sharing Authority, Executive Director, at 8050 North High Street, Suite 160, Columbus, Ohio 43235-6483.

NOTE 19 – ENCUMBRANCES

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General	$ 601,864
Permanent improvements	367,594
Other governmental funds	437,985
Total governmental	$ 1,407,443

NOTE 20 – RESTATEMENT OF FUND BALANCE

Changes to or within the financial reporting entity

For 2024, the permanent improvement fund became a major fund. In 2023, the fund was included in the aggregate amounts for nonmajor funds. The table below is to show the restatement of fund balances resulting from this change.

Restatement of Fund Balances

Governmental funds	6/30/2023 As Previously Reported	Changes within the Financial Reporting Entity	6/30/2023 As Restated
Major funds:			
General	$ 8,251,828	$ -	$ 8,251,828
Bond retirement	2,646,489	-	2,646,489
Permanent improvement	-	119,423	119,423
Nonmajor funds	1,093,440	(119,423)	974,017
Total governmental funds	$ 11,991,757	$ -	$ 11,991,757

Required Supplementary Information

Toronto City School District

Required Supplementary Information

Schedule of the School District's Proportionate Share of the Net Pension Liability

Last Ten Fiscal Years

School Employees Retirement System (SERS) of Ohio	2024	2023	2022	2021
School District's proportion of the net pension liability	0.037181%	0.035318%	0.034719%	0.031421%
School District's proportionate share of the net pension liability	$2,054,440	$1,910,273	$1,281,035	$2,078,277
School District's covered payroll	$ 1,439,707	$ 1,319,171	$ 1,198,871	$ 1,121,314
School District's proportionate share of the net pension liability as a percentage of its covered payroll	142.70%	144.81%	106.85%	185.34%
Plan fiduciary net position as a percentage of total pension liability	76.06%	75.82%	82.86%	68.55%

State Teachers Retirement System (STRS) of Ohio	2024	2023	2022	2021
School District's proportion of the net pension liability	0.0307129%	0.0299270%	0.0292178%	0.0280441%
School District's proportionate share of the net pension liability	$ 6,613,997	$6,652,809	$3,735,759	$6,785,685
School District's covered payroll	$ 3,983,400	$ 3,945,250	$ 3,654,507	$ 3,419,007
School District's proportionate share of the net pension liability as a percentage of its covered payroll	166.04%	168.63%	102.22%	198.47%
Plan fiduciary net position as a percentage of total pension liability	80.02%	78.88%	87.80%	75.50%

(1) Ten years of information will be presented as information becomes available. Information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the School District's measurement date, which is the prior fiscal year end.

2020	2019	2018	2017	2016	2015
0.032522%	0.034184%	0.034553%	0.033517%	0.032912%	0.029868%
$1,945,865	$1,957,759	$2,064,484	$2,453,106	$1,878,015	$1,511,603
$ 1,113,793	$ 1,213,444	$ 1,059,929	$ 1,042,786	$ 1,000,099	$ 1,107,612
174.71%	161.34%	194.78%	235.25%	187.78%	136.47%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%

2020	2019	2018	2017	2016	2015
0.0283388%	0.0290151%	0.0286850%	0.0288430%	0.0280222%	0.0290642%
$6,266,963	$6,379,779	$6,814,174	$9,654,632	$7,744,517	$7,069,407
$ 3,433,243	$ 3,289,429	$ 3,186,971	$ 3,048,529	$ 2,925,043	$ 2,947,931
182.54%	193.95%	213.81%	316.70%	264.77%	239.81%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%

Toronto City School District
Required Supplementary Information
Schedule of School District Contributions - Pension
Last Ten Fiscal Years

School Employees Retirement System (SERS) of Ohio	2024	2023	2022	2021	2020
Contractually required contribution	$ 218,619	$201,559	$184,684	$167,842	$156,984
Contributions in relation to contractually required contribution	(218,619)	(201,559)	(184,684)	(167,842)	(156,984)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District covered payroll	$ 1,561,564	$ 1,439,707	$ 1,319,171	$ 1,198,871	$ 1,121,314
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%

State Teachers Retirement System (STRS) of Ohio	2024	2023	2022	2021	2020
Contractually required contribution	$ 619,714	$557,676	$552,335	$511,631	$478,661
Contributions in relation to contractually required contribution	(619,714)	(557,676)	(552,335)	(511,631)	(478,661)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District covered payroll	$ 4,426,529	$ 3,983,400	$ 3,945,250	$ 3,654,507	$ 3,419,007
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%

2019	2018	2017	2016	2015
$150,362	$163,815	$148,390	$145,990	$131,813
(150,362)	(163,815)	(148,390)	(145,990)	(131,813)
$ -	$ -	$ -	$ -	$ -
$ 1,113,793	$ 1,213,444	$ 1,059,929	$ 1,042,786	$ 1,000,099
13.50%	13.50%	14.00%	14.00%	13.18%

2019	2018	2017	2016	2015
$480,654	$460,520	$446,176	$426,794	$409,506
(480,654)	(460,520)	(446,176)	(426,794)	(409,506)
$ -	$ -	$ -	$ -	$ -
$ 3,433,243	$ 3,289,429	$ 3,186,971	$ 3,048,529	$ 2,925,043
14.00%	14.00%	14.00%	14.00%	14.00%

Toronto City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)
Last Eight Fiscal Years (1)

	2024	2023	2022	2021
School Employees Retirement System (SERS) of Ohio				
School District's proportion of the net OPEB liability	0.037949%	0.0362476%	0.0359309%	0.0327478%
School District's proportionate share of the net OPEB liability	$ 625,192	$508,922	$680,022	$711,717
School District's covered payroll	$ 1,439,707	$ 1,319,171	$ 1,198,871	$ 1,121,314
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	43.42%	38.58%	56.72%	63.47%
Plan fiduciary net position as a percentage of total OPEB liability	30.02%	30.34%	24.08%	18.17%

	2024	2023	2022	2021
State Teachers Retirement System (STRS) of Ohio				
School District's proportion of the net OPEB asset or liability	0.0307129%	0.0299270%	0.0292178%	0.0280441%
School District's proportionate share of the net OPEB (asset) liability	$ (597,323)	$ (774,910)	$ (616,033)	$ (492,875)
School District's covered payroll	$ 3,983,400	$ 3,945,250	$ 3,654,507	$ 3,419,007
School District's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	-15.00%	-19.64%	-16.86%	-14.42%
Plan fiduciary net position as a percentage of total OPEB (asset) liability	168.52%	230.73%	174.70%	182.10%

(1) Ten years of information will be presented as information becomes available. Information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the School District's measurement date, which is the prior fiscal year end.

2020	2019	2018	2017
0.0332899%	0.0346738%	0.0348233%	0.0338276%
$837,172	$961,945	$934,566	$964,212
$ 1,113,793	$ 1,213,444	$ 1,059,929	$ 1,042,786
75.16%	79.27%	88.17%	92.46%
15.57%	13.57%	12.46%	11.49%

2020	2019	2018	2017
0.0283388%	0.0290151%	0.0286850%	0.0288430%
$ (469,358)	$ (466,243)	$1,119,181	$1,542,533
$ 3,433,243	$ 3,289,429	$ 3,186,971	$ 3,048,529
-13.67%	-14.17%	35.12%	50.60%
174.70%	176.00%	47.10%	37.30%

Toronto City School District
Required Supplementary Information
Schedule of School District Contributions - OPEB
Last Ten Fiscal Years

	2024	2023	2022	2021	2020
School Employees Retirement System (SERS) of Ohio					
Contractually required contribution (1)	$ 26,088	$ 26,068	$ 24,360	$ 23,687	$ 21,709
Contributions in relation to contractually required contribution	(26,088)	(26,068)	(24,360)	(23,687)	(21,709)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District covered payroll	$ 1,561,564	$ 1,439,707	$ 1,319,171	$ 1,198,871	$ 1,121,314
Contributions as a percentage of covered payroll	1.67%	1.81%	1.85%	1.98%	1.94%

	2024	2023	2022	2021	2020
State Teachers Retirement System (STRS) of Ohio					
Contractually required contribution	$ -	$ -	$ -	$ -	$ -
Contributions in relation to contractually required contribution	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District covered payroll	$ 4,426,529	$ 3,983,400	$ 3,945,250	$ 3,654,507	$ 3,419,007
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

2019	2018	2017	2016	2015
$ 25,705	$ 24,775	$ 17,868	$ 16,526	$ 25,046
(25,705)	(24,775)	(17,868)	(16,526)	(25,046)
$ -	$ -	$ -	$ -	$ -
$ 1,113,793	$ 1,213,444	$ 1,059,929	$ 1,042,786	$ 1,000,099
2.31%	2.04%	1.69%	1.58%	2.50%

2019	2018	2017	2016	2015
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
$ -	$ -	$ -	$ -	$ -
$ 3,433,243	$ 3,289,429	$ 3,186,971	$ 3,048,529	$ 2,925,043
0.00%	0.00%	0.00%	0.00%	0.00%

Net Pension Liability

School Employees Retirement System (SERS) of Ohio

Changes in benefit terms: There was no change in benefit terms for fiscal year 2024. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024. See the notes to the basic financial statements for the methods and assumptions in this calculation.

State Teachers Retirement System (STRS) of Ohio

Changes in benefit terms: There was no change in benefit terms for fiscal year 2024. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was no change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024. See the notes to the basic financial statements for the methods and assumptions in this calculation.

Net OPEB Liability

School Employees Retirement System (SERS) of Ohio

Changes in benefit terms: There was a change in benefit terms for fiscal year 2024. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024. See the notes to the basic financial statements for the methods and assumptions in this calculation.

State Teachers Retirement System (STRS) of Ohio

Changes in benefit terms: There was no change in benefit terms for fiscal year 2024. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024. See the notes to the basic financial statements for the methods and assumptions in this calculation.

TORONTO CITY SCHOOL DISTRICT
JEFFERSON COUNTY

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

FEDERAL GRANTOR/ *Pass Through Grantor* Program Title	**Federal AL Number**	**Grant Year**	**Expenditures**	**Non-Cash Expenditures**
UNITED STATES DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Education:				
Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	10.555	N/A	$ -	$ 30,543
Cash Assistance:				
School Breakfast Program	10.553	N/A	89,732	-
Total School Breakfast Program			89,732	
National School Lunch Program	10.555	N/A	238,315	-
COVID-19 - National School Lunch Program	10.555	N/A	24,106	-
Total National School Lunch Program			262,421	-
Total Nutrition Cluster Total (Cash and Non-Cash)			352,153	30,543
Total U.S. Department of Agriculture			352,153	30,543
UNITED STATES DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010A	2024	282,779	-
Title 1 Grants to Local Educational Agencies	84.010A	2023	45,919	-
Title I Total			328,698	-
Special Education Cluster:				
Special Education - Grants to States (IDEA, Part B)	84.027A	2024	195,696	-
Special Education - Grants to States (IDEA, Part B)	84.027A	2023	25,323	-
Special Education - Preschool Grants (IDEA Preschool)	84.173A	2024	3,784	-
Special Education Cluster Total			224,803	-
Rural Education	84.358B		8,082	-
Supporting Effective Instruction State Grants				
Supporting Effective Instruction State Grants	84.367A	2024	39,840	-
Supporting Effective Instruction State Grants	84.367A	2023	19,691	-
Total Supporting Effective Instruction State Grants			59,531	-
Student Support and Academic Enrichment Program				
Student Support and Academic Enrichment Program	84.424A	2024	16,965	-
Student Support and Academic Enrichment Program	84.424F	2024	12,000	-
Student Support and Academic Enrichment Program	84.424A	2023	(190)	-
Total Student Support and Academic Enrichment Program			28,775	-
Education Stabilization Fund (ESF) Under the Coronavirus Aid, Relief, and Economic Security Act				
Education Stabilization Fund - American Rescue Plan	84.425U	2024	595,135	-
Education Stabilization Fund - American Rescue Plan - Homeless	84.425W	2024	16,500	-
Education Stabilization Fund - American Rescue Plan	84.425U	2023	107,783	-
Education Stabilization Fund - Cares Act	84.425D	2022	58,425	-
Total Elementary and Secondary School Emergency Relief			777,843	-
Total U.S. Department of Education			1,427,732	-
Totals			**$ 1,779,885**	**$ 30,543**

The accompanying notes are an integral part of this schedule.

TORONTO CITY SCHOOL DISTRICT
JEFFERSON COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Toronto City School District (the District's) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* 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 assuming it expends federal monies first.

NOTE E – FOOD DONATION PROGRAM

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

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Certified Public Accountants Fax - (216) 436-2411

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Toronto City School District
Jefferson County
137 Dennis Way
Toronto, Ohio 4364

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Toronto City School District, Jefferson County, Ohio (the District) as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 28, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated March 28, 2025.

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.

Charles E. Harris & Associates, Inc.
March 28, 2025

Charles E. Harris & Associates, Inc
Certified Public Accountants

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

Toronto City School District
Jefferson County
1307 Dennis Way
Toronto, Ohio 43964

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

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

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.
March 28, 2025

TORONTO CITY SCHOOL DISTRICT
JEFFERSON COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Nutrition Cluster – ALN# 10.553, 10.555
(d)(1)(viii)	**Dollar Threshold: Type A/B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR §200.520?**	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE
KEITH FABER

TORONTO CITY SCHOOL DISTRICT

JEFFERSON 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 7/8/2025

65 East State Street, Columbus, Ohio 43215
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