



**BOARDMAN LOCAL SCHOOL DISTRICT
MAHONING COUNTY
JUNE 30, 2025**

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MAHONING COUNTY
JUNE 30, 2025**

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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Boardman Local School District, Mahoning County, Ohio (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Boardman Local School District, Mahoning County, Ohio as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2025, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

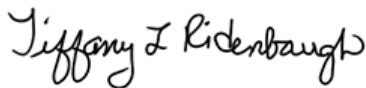
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Receipts and Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2026, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

April 27, 2026

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Boardman Local School District
Mahoning County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

The discussion and analysis of Boardman Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2025 are as follows:

In total, net position increased \$4,939,956 from fiscal year 2024, due to increases in capital assets and cash and cash equivalents coupled with a decrease in the net pension liability and related deferred inflows and outflows of resources. The effects of GASB 68 and 75 distort the comparative analysis to follow in this MD&A due to the significant changes to total expenses on a full accrual basis.

General revenues accounted for \$56,407,570 in revenue or 89 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,626,059 or 11 percent of total revenues of \$63,033,629, excluding an extraordinary item.

The District had \$58,184,250 in expenses related to governmental activities; only \$6,626,059 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) were adequate to provide for these programs on a full accrual basis, as evidenced by the increase in net position.

The District's major fund is the general fund whose revenues and other financing sources were less than expenditures and other financing uses by \$4,573,931, resulting in a decrease to fund balance to a total of \$14,019,582 on a modified accrual basis.

The District's total net pension liability decreased to \$41,958,319 from \$45,840,184 and the OPEB liability decreased to \$1,866,099, from \$2,970,639, a combined net decrease of \$4,986,405. For more information on this liability see Notes 15 and 16 to the basic financial statements.

Using these Basic Financial Statements

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

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

Boardman Local School District
Mahoning County, Ohio

Management's Discussion and Analysis
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Unaudited

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2025?" The Statement of Net Position and the Statement of Activities answers this question. These statements include *all assets, deferred inflows of resources, liabilities, and deferred outflows of resources* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

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

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

Boardman Local School District
Mahoning County, Ohio

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited*

The District as a Whole

Table 1 shows Net Position for fiscal year 2025 as compared to fiscal year 2024.

Net Position (Table 1) - Governmental Activities

	2025	(Restated) 2024	Change
Assets			
Current and Other Assets	\$75,103,961	\$75,152,220	(\$48,259)
Capital Assets, Net	30,197,107	29,955,597	241,510
<i>Total Assets</i>	<u>105,301,068</u>	<u>105,107,817</u>	<u>193,251</u>
Deferred Outflows of Resources			
Pension	9,186,115	9,144,217	41,898
OPEB	1,731,065	1,908,169	(177,104)
<i>Total Deferred Outflows of Resources</i>	<u>10,917,180</u>	<u>11,052,386</u>	<u>(135,206)</u>
Liabilities			
Current Liabilities	8,532,179	7,922,692	609,487
Long-Term Liabilities			
Due within One Year	1,128,025	1,347,678	(219,653)
Due in More than One Year:			
Net Pension Liability	41,958,319	45,840,184	(3,881,865)
Net OPEB Liability	1,866,099	2,970,639	(1,104,540)
Other Amounts	12,968,305	14,945,241	(1,976,936)
<i>Total Liabilities</i>	<u>66,452,927</u>	<u>73,026,434</u>	<u>(6,573,507)</u>
Deferred Inflows of Resources			
Property Taxes	37,844,799	37,078,048	766,751
Pension	4,942,131	3,654,872	1,287,259
OPEB	5,235,686	5,598,100	(362,414)
<i>Total Deferred Inflows of Resources</i>	<u>48,022,616</u>	<u>46,331,020</u>	<u>1,691,596</u>
Net Position			
Net Investment in Capital Assets	27,161,254	26,240,243	921,011
Restricted	3,990,181	5,145,008	(1,154,827)
Unrestricted (Deficit)	(29,408,730)	(34,582,502)	5,173,772
<i>Total Net Position</i>	<u>\$1,742,705</u>	<u>(\$3,197,251)</u>	<u>\$4,939,956</u>

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2025 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The School District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows and assets related to pension and OPEB.

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

Boardman Local School District
Mahoning County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

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

Table 2
Change in Net Position
Governmental Activities

	2025	(Restated) 2024	Increase (Decrease)
Revenues			
Program Revenues			
Charges for Services and Sales	\$2,062,970	\$2,151,503	(\$88,533)
Operating Grants and Contributions	4,563,089	7,732,537	(3,169,448)
Capital Grants and Contributions	0	28,875	(28,875)
Total Program Revenues	6,626,059	9,912,915	(3,286,856)
General Revenues			
Property Taxes	39,226,841	37,780,347	1,446,494
Intergovernmental	15,202,785	14,992,637	210,148
Investment Earnings	1,691,873	1,726,485	(34,612)
Miscellaneous	286,071	287,122	(1,051)
Total General Revenues	56,407,570	54,786,591	1,620,979
Total Revenues	63,033,629	64,699,506	(1,665,877)
Program Expenses			
Instruction	32,948,583	35,013,835	2,065,252
Support Services	20,534,168	19,293,711	(1,240,457)
Operation of Non-Instructional/Food Services	2,341,272	2,448,399	107,127
Extracurricular Activities	2,059,346	1,729,434	(329,912)
Interest and Fiscal Charges	300,881	319,276	18,395
Total Program Expenses	58,184,250	58,804,655	620,405
Extraordinary Item	90,577	1,280,833	(1,190,256)
Change in Net Position	4,939,956	7,175,684	(2,235,728)
Net Position Beginning of Year	(3,197,251)	(10,372,935)	7,175,684
Net Position End of Year	\$1,742,705	(\$3,197,251)	\$4,939,956

Boardman Local School District
Mahoning County, Ohio

Management's Discussion and Analysis
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Unaudited

Over time, Net Position can serve as a useful indicator of a government's financial position. At June 30, 2025, the District's total net position was \$1,742,705. Of this total, \$3,990,181 is restricted in use, which represents resources that are subject to external restriction on how they may be used.

Governmental Activities

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 86 percent of total governmental revenue. Total revenues decreased \$1,665,877 while expenses decreased \$620,405. The effects of GASB 68 and 75 distort this comparative analysis due to the significant impact changes made to cost of living adjustments enacted by the state pension board had on the District's share of the total pension/OPEB liability.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services for fiscal year 2025 and 2024. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Table 3
Total and Net Cost of Program Services

	2025		2024	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program Expenses				
Instruction	\$32,948,583	\$30,115,473	\$35,013,835	\$30,018,175
Support Services	20,534,168	19,572,781	19,293,711	17,244,129
Operation of Non-Instructional and Food Services	2,341,272	133,972	2,448,399	122,179
Extracurricular Activities	2,059,346	1,435,084	1,729,434	1,187,981
Interest and Fiscal Charges	300,881	300,881	319,276	319,276
<i>Total Expenditures</i>	<u>\$58,184,250</u>	<u>\$51,558,191</u>	<u>\$58,804,655</u>	<u>\$48,891,740</u>

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

The dependence upon general tax revenues for governmental activities is apparent. 67 percent of all District expenses were supported through property taxes alone this year. For all governmental activities, general revenue and prior year cash balances helped to support most expenses as shown in the above table. The community, as a whole, is by far the primary support for Boardman Local School District students.

Boardman Local School District
Mahoning County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

The District's Funds

The District's funds (as presented on the balance sheet) reported a combined fund balance of \$22,176,436 which is less than last year's total of 23,474,403 by 6 percent. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2025 and 2024.

	Fund Balance June 30, 2025	Fund Balance June 30, 2024	Increase (Decrease)
General	\$14,019,582	\$18,593,513	(\$4,573,931)
Other Governmental	8,156,854	4,880,890	3,275,964
Total	<u>\$22,176,436</u>	<u>\$23,474,403</u>	<u>(\$1,297,967)</u>

General Fund

During fiscal year 2025, the District's general fund balance decreased on a modified accrual basis by \$4,573,931; total revenues within the general fund increased by 2.5 percent and expenditures increased by 7.5 percent. The primary reason for the overall decrease in fund balance this fiscal year is that revenues and other financing sources were less than expenditures and transfers out. The District has built a surplus by balancing its budget and by spending less than total revenues over the past few years. Various major expenditure savings policies were applied to the District's budget with great success. The District has utilized various phases of energy conservation permanent improvements that decrease utility expenditures and yet maintain the buildings. In addition, the District utilizes a negotiated Retire/Rehire Program for the professional staff yielding extensive savings in payroll. The use of these expenditure policies has extended the operating lives of the District's existing levies and also these policies have counteracted the recent environment of eroding tax revenues for the District. As a result, the control of expenditures has preserved the accumulation of prior year-end positive fund balances.

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

	2025	2024	% Change
<u>Revenues</u>			
Taxes	\$37,639,498	\$36,512,087	3.1 %
Tuition	864,934	1,028,338	(15.9) %
Earnings on investments	1,537,466	1,566,677	(1.9) %
Intergovernmental	15,094,013	14,679,868	2.8 %
Other revenues	512,473	479,139	7.0 %
Total	<u>\$55,648,384</u>	<u>\$54,266,109</u>	<u>2.5 %</u>
<u>Expenditures</u>			
Instruction	34,093,412	32,081,224	6.3 %
Support services	19,433,378	17,039,256	14.1 %
Operation of non-instructional/food services	250,155	303,175	(17.5) %
Extracurricular activities	1,212,853	1,179,655	2.8 %
Capital outlay	0	534,087	n/a %
Debt service	63,264	63,264	0.0 %
Total	<u>\$55,053,062</u>	<u>\$51,200,661</u>	<u>7.5 %</u>

Boardman Local School District
Mahoning County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

General Fund Budgeting Highlights

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

During the course of fiscal year 2025 the District amended its General Fund budget as needed. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, actual revenue, including other financing sources, was \$54,884,949, which was \$1,099,970 more than the original and \$517,065 less than the final budget. The actual revenue amounts received were more than the amounts anticipated at the beginning of the fiscal year due to a conservative approach to budgeting revenues.

Total actual expenditures, including other financing uses, were \$60,092,559, which was \$1,844,217 less than the final budgeted expenditures and was \$4,812,078 more than original budgeted expenditures of \$55,279,981. The variance with final appropriations was due to a conservative estimates approach.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2025, the District had \$30,197,107 invested in land, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and intangible – right to use leases.

Table 4 shows fiscal year 2025 balances compared to fiscal year 2024:

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

	2025	2024
Land	\$3,438,919	\$3,438,919
Land Improvements	1,173,466	977,183
Buildings and Improvements	22,500,056	22,699,325
Furniture, Fixtures and Equipment	1,540,497	1,615,059
Vehicles	1,481,770	1,104,393
Intangible - Right to Use Leases	62,399	120,718
<i>Total</i>	<u>\$30,197,107</u>	<u>\$29,955,597</u>

All capital assets, except land, are reported net of depreciation/amortization. As one can see, the District had an overall increase in capital assets of \$241,510. The majority of this increase is due to current year additions of \$2,147,576 exceeding current year depreciation/amortization expense of \$1,720,320 and net deletions of \$185,746. For more information about the District's capital assets, see Note 9 to the basic financial statements.

Boardman Local School District
Mahoning County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

Long-Term Obligations

At June 30, 2025, the District had qualified school construction bonds, a general obligation bond, financed purchase agreements, leases and compensated absences outstanding. Of this total, \$1,128,025 is due within one year. The following table summarizes the District's outstanding long-term obligations, including the net pension and net OPEB liabilities.

Table 5
Outstanding at Fiscal Year End

	2025	(Restated) 2024
General Obligation Bonds	\$525,000	\$590,000
Qualified School Construction Bonds	465,070	697,603
Financed Purchase Agreements	1,977,000	2,299,000
Leases	68,783	128,751
Compensated Absences	11,060,477	12,577,565
Net Pension Liability	41,958,319	45,840,184
Net OPEB Liability	1,866,099	2,970,639
<i>Total</i>	<u>\$57,920,748</u>	<u>\$65,103,742</u>

The general obligation bonds, and the qualified school construction bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment.

The District currently has one financed purchase agreement outstanding totaling \$1,977,000. Of this total, a portion is related to the new stadium and it should be noted that the entire balance of this financed purchase agreement is being paid for by donations from boosters and not taxpayer dollars.

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

Current Financial Related Activities

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

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

Boardman Local School District
Mahoning County, Ohio

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited*

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

The Boardman Local School District board and administration are encouraged by changes made to the school funding system in Ohio. Recently enacted law eliminated transfer payments from Boardman Local Schools to students attending other school districts through open enrollment and community/charter schools, and State foundation basic aid revenue will be calculated on a base cost methodology with funding paid to the District where a student is enrolled to be educated. This does not currently apply to excess costs paid to districts accepting open enrollment students from Boardman Local Schools that are charging back special education costs to Boardman Local Schools for those students. District administration is grateful for the changes in the current state budget HB33 as it has reduced the amount that was deducted for programs that were not within the district's control. However, future state budgets funding will need to be watched since the full amount of the Fair School Funding Plan was not totally implemented with this State budget cycle and there is no guarantee for future increases in state budgets moving forward.

The new funding system also includes changes to how local shares are funded by including an increased emphasis on income levels of those that live in a school district rather than the over-reliance on property tax valuations. The new school funding plan (The Fair School Funding Plan) was designed to be phased in over a six-year period. There is no guarantee that the current Fair School Funding Plan will be funded or continued moving forward. To realize the increased fairness and adequate funding the District will remain engaged in the process to advocate for continuing the trajectory of this new school funding program.

The District has committed itself to educational and financial excellence for many years and is very proud of the 4 A's of the District: Academics, Arts, Athletics and Accountability. The diverse curriculum programs offered to the students, our excellent test score ratings for past school years, in addition to unmodified audits, are evidence of the Board's commitment to maximize the resources that are provided to educate the students of the District. The District's leadership team is always looking at ways to improve the education of the students, whether it be with changes in staffing, curriculum, or new technology needs. As the administration of the district reviews expenditures, the education of the students is always the main focus for resource utilization. The District is committed to living within its financial means and working with the community it serves in order to provide adequate resources to support the education program first and foremost.

Contacting the District's Financial Management

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

Boardman Local School District

Mahoning County, Ohio

*Statement of Net Position**June 30, 2025*

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$30,731,612
Accrued Interest Receivable	25,245
Accounts Receivable	12,114
Intergovernmental Receivable	902,405
Property Taxes Receivable	40,084,150
Inventory Held for Resale	54,566
Materials and Supplies Inventory	66,674
Net OPEB Asset	3,227,195
Nondepreciable Capital Assets	3,438,919
Depreciable Capital Assets, Net	26,758,188
<i>Total Assets</i>	<u>105,301,068</u>
Deferred Outflows of Resources	
Pension	9,186,115
Other Postemployment Benefits	1,731,065
<i>Total Deferred Outflows of Resources</i>	<u>10,917,180</u>
Liabilities	
Accounts Payable	893,401
Accrued Wages and Benefits Payable	5,457,707
Intergovernmental Payable	1,454,280
Matured Compensated Absences Payable	155,043
Accrued Interest Payable	23,966
Claims Payable	547,782
Long-Term Liabilities:	
Due Within One Year	1,128,025
Due In More Than One Year:	
Net Pension Liability	41,958,319
Other Postemployment Benefits Liability	1,866,099
Other Amounts Due in More than One Year	12,968,305
<i>Total Liabilities</i>	<u>66,452,927</u>
Deferred Inflows of Resources	
Property Taxes	37,844,799
Pension	4,942,131
Other Postemployment Benefits	5,235,686
<i>Total Deferred Inflows of Resources</i>	<u>48,022,616</u>
Net Position	
Net Investment in Capital Assets	27,161,254
Restricted for:	
Capital Projects	4,210
Debt Service	84,872
Other Purposes	3,836,807
Set-asides	64,292
Unrestricted (Deficit)	(29,408,730)
<i>Total Net Position</i>	<u>\$1,742,705</u>

See accompanying notes to the basic financial statements

Boardman Local School District

Mahoning County, Ohio

*Statement of Activities
For the Fiscal Year Ended June 30, 2025*

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
Instruction:				
Regular	\$22,230,502	\$495,539	\$127,862	(\$21,607,101)
Special	10,559,397	207,358	1,921,913	(8,430,126)
Adult/Continuing	40,839	0	22,242	(18,597)
Other	117,845	0	58,196	(59,649)
Support Services:				
Pupils	3,096,465	0	65,222	(3,031,243)
Instructional Staff	1,540,661	152,078	230,291	(1,158,292)
Board of Education	381,293	0	0	(381,293)
Administration	3,097,300	0	284,453	(2,812,847)
Fiscal	1,194,562	0	0	(1,194,562)
Business	295,013	0	0	(295,013)
Operation and Maintenance of Plant	6,722,012	0	91,838	(6,630,174)
Pupil Transportation	3,733,283	80,760	44,798	(3,607,725)
Central	473,579	0	11,947	(461,632)
Operation of Non-Instructional Services	2,341,272	568,531	1,638,769	(133,972)
Extracurricular Activities	2,059,346	558,704	65,558	(1,435,084)
Interest and Fiscal Charges	300,881	0	0	(300,881)
<i>Total Governmental Activities</i>	<u>\$58,184,250</u>	<u>\$2,062,970</u>	<u>\$4,563,089</u>	<u>(51,558,191)</u>
General Revenues				
Property Taxes Levied for:				
General Purposes				37,690,253
Debt Service				258,181
Capital Outlay				1,278,407
Grants and Entitlements not				
Restricted to Specific Programs				15,202,785
Investment Earnings				1,691,873
Miscellaneous				286,071
<i>Total General Revenues</i>				<u>56,407,570</u>
Extraordinary Item				
Insurance Proceeds from Flood				<u>90,577</u>
Change in Net Position				<u>4,939,956</u>
<i>Net Position Beginning of Year, as Previously Presented</i>				
				6,014,768
Change in Accounting Principle				
GASB 101 - Compensated Absences				<u>(9,212,019)</u>
<i>Net Position (Deficit) Beginning of Year, as Adjusted</i>				
				(3,197,251)
<i>Net Position (Deficit) End of Year</i>				
				<u>\$1,742,705</u>

See accompanying notes to the basic financial statements

Boardman Local School District

Mahoning County, Ohio

*Balance Sheet
Governmental Funds
June 30, 2025*

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$19,854,608	\$8,403,963	\$28,258,571
Accrued Interest Receivable	22,745	2,500	25,245
Accounts Receivable	4,688	7,426	12,114
Interfund Receivable	89,403	0	89,403
Intergovernmental Receivable	325,629	576,776	902,405
Property Taxes Receivable	38,761,480	1,322,670	40,084,150
Inventory Held for Resale	0	54,566	54,566
Materials and Supplies Inventory	66,674	0	66,674
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	64,292	0	64,292
<i>Total Assets</i>	<u>\$59,189,519</u>	<u>\$10,367,901</u>	<u>\$69,557,420</u>
Liabilities			
Accounts Payable	\$418,230	\$475,171	\$893,401
Accrued Wages and Benefits Payable	5,224,341	233,366	5,457,707
Intergovernmental Payable	1,339,047	115,233	1,454,280
Matured Compensated Absences Payable	155,043	0	155,043
Interfund Payable	0	89,403	89,403
<i>Total Liabilities</i>	<u>7,136,661</u>	<u>913,173</u>	<u>8,049,834</u>
Deferred Inflows of Resources			
Property Taxes	36,596,156	1,248,643	37,844,799
Unavailable Revenue - Property Taxes	1,437,120	49,231	1,486,351
<i>Total Deferred Inflows of Resources</i>	<u>38,033,276</u>	<u>1,297,874</u>	<u>39,331,150</u>
Fund Balances			
Nonspendable	91,879	0	91,879
Restricted	0	4,074,887	4,074,887
Committed	524,592	4,184,192	4,708,784
Assigned	6,382,074	0	6,382,074
Unassigned (Deficit)	7,021,037	(102,225)	6,918,812
<i>Total Fund Balances</i>	<u>14,019,582</u>	<u>8,156,854</u>	<u>22,176,436</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$59,189,519</u>	<u>\$10,367,901</u>	<u>\$69,557,420</u>

See accompanying notes to the basic financial statements

Boardman Local School District
Mahoning County, Ohio

*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2025*

Total Governmental Fund Balances		\$22,176,436
<i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		30,197,107
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Delinquent Property Taxes		1,486,351
The net pension and OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Deferred Outflows - Pension	9,186,115	
Deferred Inflows - Pension	(4,942,131)	
Net Pension Liability	(41,958,319)	
Deferred Outflows - OPEB	1,731,065	
Deferred Inflows - OPEB	(5,235,686)	
OPEB Asset	3,227,195	
OPEB Liability	<u>(1,866,099)</u>	
Total		(39,857,860)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		1,860,967
In the statement of activities, interest is accrued on outstanding bonds and lease purchase agreements, whereas in governmental funds, an interest expenditure is reported when due.		(23,966)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(990,070)	
Financed Purchase Agreements Payable	(1,977,000)	
Leases	(68,783)	
Compensated Absences	<u>(11,060,477)</u>	
Total		<u>(14,096,330)</u>
<i>Net Position of Governmental Activities</i>		<u><u>\$1,742,705</u></u>
See accompanying notes to the basic financial statements		

Boardman Local School District
Mahoning County, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2025

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$37,639,498	\$1,535,075	\$39,174,573
Tuition and Fees	864,934	0	864,934
Interest	1,537,466	154,407	1,691,873
Charges for Services	0	468,565	468,565
Extracurricular Activities	100,054	448,691	548,745
Rentals	99,966	0	99,966
Contributions and Donations	21,142	100,055	121,197
Intergovernmental	15,094,013	4,550,664	19,644,677
Miscellaneous	210,551	75,520	286,071
Transportation Fees	80,760	0	80,760
<i>Total Revenues</i>	<u>55,648,384</u>	<u>7,332,977</u>	<u>62,981,361</u>
Expenditures			
Current:			
Instruction:			
Regular	24,645,258	123,312	24,768,570
Special	9,434,100	1,830,408	11,264,508
Adult/Continuing	2,500	38,231	40,731
Other	36,021	81,360	117,381
Support Services:			
Pupils	3,287,204	269,939	3,557,143
Instructional Staff	1,413,580	267,132	1,680,712
Board of Education	375,051	5,238	380,289
Administration	3,210,000	269,207	3,479,207
Fiscal	1,210,746	17,416	1,228,162
Business	287,107	0	287,107
Operation and Maintenance of Plant	5,858,744	498,900	6,357,644
Pupil Transportation	3,297,860	43,849	3,341,709
Central	468,619	11,947	480,566
Operation of Non-Instructional Services	250,155	2,085,061	2,335,216
Extracurricular Activities	1,212,853	534,341	1,747,194
Capital Outlay	0	2,332,946	2,332,946
Debt Service:			
Principal Retirement	59,968	619,533	679,501
Interest and Fiscal Charges	3,296	298,888	302,184
<i>Total Expenditures</i>	<u>55,053,062</u>	<u>9,327,708</u>	<u>64,380,770</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>595,322</u>	<u>(1,994,731)</u>	<u>(1,399,409)</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	10,865	0	10,865
Transfers In	0	5,180,118	5,180,118
Transfers Out	(5,180,118)	0	(5,180,118)
<i>Total Other Financing Sources (Uses)</i>	<u>(5,169,253)</u>	<u>5,180,118</u>	<u>10,865</u>
Extraordinary Item			
Insurance Proceeds from Flood	0	90,577	90,577
<i>Net Change in Fund Balances</i>	<u>(4,573,931)</u>	<u>3,275,964</u>	<u>(1,297,967)</u>
<i>Fund Balance Beginning of Year</i>	<u>18,593,513</u>	<u>4,880,890</u>	<u>23,474,403</u>
<i>Fund Balance End of Year</i>	<u>\$14,019,582</u>	<u>\$8,156,854</u>	<u>\$22,176,436</u>

See accompanying notes to the basic financial statements

Boardman Local School District
Mahoning County, Ohio

*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2025*

Net Change in Fund Balances - Total Governmental Funds	(\$1,297,967)
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***Amounts reported for governmental activities in the
statement of activities are different because***

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

Capital Outlay	2,147,576	
Current Year Depreciation/Amortization	<u>(1,720,320)</u>	
Total		427,256

The net effect of various transactions involving capital assets
(i.e.; disposals and sales) is a decrease in net position.

Assets Disposed	(2,543,881)	
Accumulated Depreciation on Disposals	<u>2,358,135</u>	
Total		(185,746)

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

Property Taxes	52,268
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Contractually required contributions are reported as expenditures in
governmental funds; however, the statement of net position reports
these amounts as deferred outflows.

Pension	4,618,309	
OPEB	<u>139,815</u>	
Total		4,758,124

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

Pension	(1,981,801)	
OPEB	<u>1,111,934</u>	
Total		(869,867)

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

679,501

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

Accrued Interest on Bonds and Financed Purchases	1,303
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Some expenses reported in the statement of activities, do not
require the use of current financial resources and therefore
are not reported as expenditures in governmental funds.

Compensated Absences	1,517,088
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The internal service fund used by management to charge the costs of
insurance to individual funds are not reported in the district-wide
statement of activities. Governmental fund expenditures and related
internal service fund revenues are eliminated. The net revenue
(expense) of the internal service fund is allocated among the
governmental activities.

(142,004)

Change in Net Position of Governmental Activities

\$4,939,956

See accompanying notes to the basic financial statements

Boardman Local School District

Mahoning County, Ohio

*Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2025*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$36,497,104	\$37,532,960	\$37,532,960	\$0
Tuition and Fees	869,912	894,602	703,430	(191,172)
Interest	1,430,609	1,471,212	1,489,923	18,711
Rentals	50,844	52,287	27,665	(24,622)
Contributions and Donations	257	264	0	(264)
Intergovernmental	14,654,500	15,070,422	14,790,934	(279,488)
Miscellaneous	213,840	241,329	191,379	(49,950)
Transportation Fees	67,913	69,840	80,760	10,920
Total Revenues	53,784,979	55,332,916	54,817,051	(515,865)
Expenditures				
Current:				
Instruction:				
Regular	24,073,728	25,322,665	24,563,350	759,315
Special	9,191,630	9,515,834	9,257,837	257,997
Other	35,270	41,920	36,073	5,847
Support Services:				
Pupils	3,275,201	3,247,723	3,227,066	20,657
Instructional Staff	1,402,223	1,326,967	1,414,144	(87,177)
Board of Education	445,874	447,257	417,112	30,145
Administration	3,206,709	3,297,427	3,282,978	14,449
Fiscal	1,184,521	1,283,938	1,200,270	83,668
Business	319,753	340,857	325,984	14,873
Operation and Maintenance of Plant	5,733,509	6,112,706	5,817,594	295,112
Pupil Transportation	3,818,813	3,805,662	3,350,324	455,338
Central	426,546	479,720	433,837	45,883
Operation of Non-Instructional Services	50,304	45,265	51,449	(6,184)
Extracurricular Activities	1,090,900	1,138,175	1,115,725	22,450
Total Expenditures	54,254,981	56,406,116	54,493,743	1,912,373
Excess of Revenues Over (Under) Expenditures	(470,002)	(1,073,200)	323,308	1,396,508
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	39,990	39,740	(250)
Refund of Prior Year Expenditure	0	29,108	28,158	(950)
Refund of Prior Year Receipts	0	(8,201)	(8,201)	0
Advances Out	(25,000)	(27,731)	(88,598)	(60,867)
Transfers Out	(1,000,000)	(5,494,728)	(5,502,017)	(7,289)
Total Other Financing Sources (Uses)	(1,025,000)	(5,461,562)	(5,530,918)	(69,356)
Net Change in Fund Balance	(1,495,002)	(6,534,762)	(5,207,610)	1,327,152
Fund Balance Beginning of Year	23,041,958	23,041,958	23,041,958	0
Prior Year Encumbrances Appropriated	974,062	974,062	974,062	0
Fund Balance End of Year	\$22,521,018	\$17,481,258	\$18,808,410	\$1,327,152

See accompanying notes to the basic financial statements

Boardman Local School District

Mahoning County, Ohio

Statement of Fund Net Position

Proprietary Fund

June 30, 2025

	<u>Internal Service</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$2,408,749
Liabilities	
Claims Payable	<u>547,782</u>
Net Position	
Unrestricted	<u><u>\$1,860,967</u></u>

See accompanying notes to the basic financial statements

Boardman Local School District

Mahoning County, Ohio

*Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2025*

	<u>Internal Service</u>
Operating Revenues	
Charges for Services	\$9,210,011
<i>Total Operating Revenues</i>	<u>9,210,011</u>
Operating Expenses	
Purchased Services	2,191,393
Claims	7,160,622
<i>Total Operating Expenses</i>	<u>9,352,015</u>
<i>Change in Net Position</i>	(142,004)
<i>Net Position Beginning of Year</i>	<u>2,002,971</u>
<i>Net Position End of Year</i>	<u><u>\$1,860,967</u></u>

See accompanying notes to the basic financial statements

Boardman Local School District

Mahoning County, Ohio

Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2025

	<u>Internal Service</u>
<i>Change in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Charges for Services	\$9,210,011
Cash Payments for Goods and Services	(2,191,393)
Cash Payments for Claims	<u>(7,468,840)</u>
<i>Net Cash Used for Operating Activities</i>	(450,222)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,858,971</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$2,408,749</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	(\$142,004)
Adjustments:	
Change in Claims Payable	<u>(308,218)</u>
<i>Net Cash Used for Operating Activities</i>	<u><u>(\$450,222)</u></u>
See accompanying notes to the basic financial statements	

Boardman Local School District
Mahoning County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 1 - Description of the District

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

The District is staffed by 312 non-certificated and 348 certificated personnel to provide services to approximately 3,741 students and other community members.

Note 2 - Summary of Significant Accounting Policies

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

A. - Reporting Entity

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

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

Jointly Governed Organizations

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

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

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

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

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

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

Public Entity Risk Pools

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

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

B. - Fund Accounting

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

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Governmental Funds

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

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

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

Proprietary Fund Type Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service. The District has no enterprise funds. The following is a description of the District's internal service fund.

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

Fiduciary Funds

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

C. Basis of Presentation and Measurement Focus

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

The statement of net position presents the financial condition of the governmental activities of the District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct

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expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

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

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

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

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

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

D. - Basis of Accounting

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

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

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

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

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

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

In addition to liabilities, the statements of net position and balance sheets report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2025, 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 District unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 15 and 16).

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

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

E. - Budgets

The District is required by state statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2025 is as follows:

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

The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the original and final Amended Certificate issued for fiscal year 2025.

2. By July 1, the annual Appropriation Resolution is legally enacted by the Board of Education at the object level within the general fund and at the fund level of expenditures for all other District funds, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Although the legal level of budgetary control was established at the object level of expenditures for the general fund, the District has elected to present the budgetary statement comparison at the fund and function level of expenditures. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
3. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
4. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
5. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 2025.
6. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

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F. - Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. During fiscal 2025, the District's investments were limited to investments in the State Treasury Asset Reserve of Ohio (STAR Ohio), money market funds, Federal bonds and notes, commercial paper and United States Treasury bills and notes.

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

For fiscal year 2025, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business days(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the General fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal 2025 amounted to \$1,537,466, of which \$231,052 was assigned from other District funds.

For purposes of the statement of net position, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

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

G - Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories consist of donated food, purchased food, and non-food supplies held for resale and are expensed/expended when used.

H. - Capital Assets

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

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

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

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

I. - Interfund Balances

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

J. - Interfund Activity

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

K. - Compensated Absences

The Districts policy permits employees to accumulate earned but unused vacation, and sick pay benefits, which are collectively referred to as compensated absences. The liability for compensated absences is recognized and measured under the provision of GASB Statement No. 101, Compensated Absences. Compensated absences liabilities are accrued when incurred in the Government-wide statements. In governmental funds, liabilities are reported only if they are due and payable as a result of employees who have terminated or retired.

L. - Accrued Liabilities and Long-Term Obligations

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

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

M. - Fund Balance

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

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

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

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

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

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

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

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For the Fiscal Year Ended June 30, 2025

N. – Net Position

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

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

O. - Estimates

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

P. – Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include the amounts required by state statute to be set aside for budget stabilization. See Note 18 for details.

Q. Pensions/Other Postemployment Benefits (OPEB)

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During fiscal year 2025, the District received another \$90,577 in insurance proceeds related to flooding damage to District buildings.

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 3 – Change in Accounting Principle & Restatement of Prior Year Net Position

Change in Accounting Principles

For fiscal year 2025, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 101, “Compensated Absences” and Statement No. 102 “Certain Risk Disclosures”.

GASB Statement No. 101 provides guidance on the accounting and financial reporting for compensated absences. The implementation of GASB Statement No. 101 had an effect on beginning net position of the District as presented below.

GASB Statement No. 102 requires the disclosure of certain protentional risks facing the District. The implementation of GASB Statement No. 102 did not have an effect on beginning net position of the District.

Restatement of Prior Year Net Position

The implementation of GASB Statement No. 101 had the following effect on beginning net position of the District, as previously reported.

	<u>Governmental Activities</u>
Net Position at 6/30/24, as Previously Reported	\$6,014,768
Implementation of GASB Statement No. 101	<u>(9,212,019)</u>
Adjusted Net Position at 6/30/24	<u><u>(\$3,197,251)</u></u>

Note 4 – Fund Deficits

Fund balances at June 30, 2025 included the following individual fund deficits:

<u>Nonmajor Governmental Funds:</u>	<u>Deficit</u>
Other Grants Fund	\$17,599
IDEA Part B	60,010
Improving Teacher Quality	<u>24,616</u>
	<u><u>\$102,225</u></u>

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

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For the Fiscal Year Ended June 30, 2025

Note 5 - Budgetary Basis of Accounting

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

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

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

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

Net Change in Fund Balance	
GAAP Basis	(\$4,573,931)
Net Adjustment for Revenue Accruals	(980,048)
Net Adjustment for Expenditure Accruals	623,043
Advance Out	(88,598)
Net Adjustment for Funds Budgeted as Special Revenue	205,748
Adjustment for Encumbrances	(393,824)
Budget Basis	<u><u>(\$5,207,610)</u></u>

Note 6 - Deposits and Investments

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

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

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For the Fiscal Year Ended June 30, 2025

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio);
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

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Protection of District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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

A. Deposits

At June 30, 2025, the carrying value amount of all the District's deposits was \$6,598,086. Based on the criteria described in GASB Statement No. 40, "Deposits and Investments Risk Disclosures", as of June 30, 2025, none of the District's bank balance of \$6,720,554 was exposed to custodial risk as described below, meaning all \$6,720,554 was covered by the Federal Deposit Insurance Corporation (FDIC) and the Ohio Polled Collateral System (OPCS).

Custodial Credit Risk Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

B. Investments

As of June 30, 2025, the District had the following investments. All investments are in an internal investment pool.

	Fair Value	Maturity
STAR Ohio	\$18,539,688	1 Year or less
Commercial Paper	1,238,810	1 Year or less
FHLMC Bonds/Notes	129,294	1 Year or less
Money Market Funds	71,324	1 Year or less
FFCB Bonds/Notes	463,440	1 to 3 Years
US Treasury Notes	263,601	1 to 3 Years
US Treasury Notes	2,507,194	3 to 5 Years
FFCB Bonds/Notes	546,507	3 to 5 Years
FHLB Bonds/Notes	252,221	3 to 5 Years
FNMA Bonds/Notes	121,447	3 to 5 Years
Total Portfolio	<u>\$24,133,526</u>	

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The weighted average of maturities is one 0.68 years.

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

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

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

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

	Fair Value	% of Total
STAR Ohio	\$18,539,688	76.82%
Commercial Paper	1,238,810	5.13%
FFCB Bonds/Notes	1,009,947	4.18%
Money Market Funds	71,324	0.31%
U.S. Treasury Notes	2,770,795	11.48%
FHLB Bonds/Notes	252,221	1.05%
FNMA Bonds/Notes	121,447	0.50%
FHLMC Bonds/Notes	129,294	0.54%
Total Portfolio	\$24,133,526	100.00%

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

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the Statement of Net Position as of June 30, 2025:

<u>Cash and Investments per Note Disclosure</u>		<u>Cash and Investments per Statement of Net Position</u>	
Carrying amount of deposits	\$6,598,086	Governmental Activities	\$30,731,612
Investments	24,133,526		
Total	\$30,731,612	Total	\$30,731,612

Boardman Local School District
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For the Fiscal Year Ended June 30, 2025

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real property and public utility property located in the District. Real property tax revenue received in calendar 2025 represent collections of calendar year 2024 taxes. Real property taxes received in calendar year 2025 were levied after April 1, 2023, on the assessed value listed as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2025 represents collections of calendar year 2024 taxes. Public utility real and tangible personal property taxes received in calendar year 2023 became a lien December 31, 2021, were levied after April 1, 2023 and are collected in 2025 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Mahoning County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2025, are available to finance fiscal year 2026 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, 2025 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2025 was \$728,204 in the general fund and \$24,796 in the permanent improvement capital projects fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been made unavailable. The assessed values upon which the fiscal year 2025 taxes were collected are:

	2024 Second Half Collections		2025 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,177,827,810	95.33 %	\$1,174,582,080	94.96 %
Public Utility Personal	57,650,810	4.67	62,307,440	5.04
Total	<u>\$1,235,478,620</u>	<u>100.00 %</u>	<u>\$1,236,889,520</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$59.31		\$59.29	

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For the Fiscal Year Ended June 30, 2025

Note 8 – Fund Balances

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

Fund Balances	General	Nonmajor Governmental	Total
<i>Nonspendable:</i>			
Inventory	\$66,674	\$0	\$66,674
Unclaimed Funds	25,205	0	25,205
<i>Total Nonspendable</i>	<u>91,879</u>	<u>0</u>	<u>91,879</u>
<i>Restricted for:</i>			
Food Service Operations	0	2,807,362	2,807,362
Trusts & Endowments	0	704,242	704,242
Athletics & Music	0	429,009	429,009
Auxiliary Services	0	59,844	59,844
Miscellaneous State Grants	0	64,514	64,514
Capital Improvements	0	4,210	4,210
Other Purposes	0	5,706	5,706
<i>Total Restricted</i>	<u>0</u>	<u>4,074,887</u>	<u>4,074,887</u>
<i>Committed to:</i>			
District Agencies	0	10,495	10,495
Boardman Schools Television Network	261,095	0	261,095
Termination Payments	263,497	0	263,497
Capital Improvements	0	4,173,697	4,173,697
<i>Total Committed</i>	<u>524,592</u>	<u>4,184,192</u>	<u>4,708,784</u>
<i>Assigned to:</i>			
Other Purposes	82,020	0	82,020
Subsequent Year Appropriations	6,235,762	0	6,235,762
Budget Stabilization	64,292	0	64,292
<i>Total Assigned</i>	<u>6,382,074</u>	<u>0</u>	<u>6,382,074</u>
<i>Unassigned (Deficit)</i>	<u>7,021,037</u>	<u>(102,225)</u>	<u>6,918,812</u>
<i>Total Fund Balances</i>	<u><u>\$14,019,582</u></u>	<u><u>\$8,156,854</u></u>	<u><u>\$22,176,436</u></u>

Boardman Local School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 9 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

	Balance 6/30/24	Additions	Reductions	Balance 6/30/25
Governmental Activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$3,438,919	\$0	\$0	\$3,438,919
<i>Capital assets being depreciated/amortized:</i>				
Land improvements	3,753,744	284,731	(23,450)	4,015,025
Buildings and improvements	51,077,466	904,801	(304,695)	51,677,572
Furniture, fixtures and equipment	5,064,216	218,995	(39,259)	5,243,952
Vehicles	6,862,233	739,049	(2,176,477)	5,424,805
Intangible Right to Use Lease**	291,593	0	0	291,593
<i>Total capital assets being depreciated/amortized</i>	67,049,252	2,147,576	(2,543,881)	66,652,947
<i>Accumulated depreciation/amortization:</i>				
Land improvements	(2,776,561)	(88,448)	23,450	(2,841,559)
Buildings and improvements	(28,378,141)	(947,548)	148,173	(29,177,516)
Furniture, fixtures and equipment	(3,449,157)	(273,928)	19,630	(3,703,455)
Vehicles	(5,757,840)	(352,077)	2,166,882	(3,943,035)
Intangible Right to Use Lease**	(170,875)	(58,319)	0	(229,194)
<i>Total accumulated depreciation/amortization</i>	(40,532,574)	(1,720,320) *	2,358,135	(39,894,759)
Capital assets being depreciated/amortized, net	26,516,678	427,256	(185,746)	26,758,188
Governmental activities capital assets, net	\$29,955,597	\$427,256	(\$185,746)	\$30,197,107

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

Instruction:	
Regular	\$340,384
Special	39,012
Other	340
Support Services:	
Pupil	229
Instructional Staff	81,713
Administration	14,084
Fiscal	355
Business	35,310
Operation and Maintenance of Plant	520,791
Pupil Transportation	517,920
Central	10,046
Operation of Non-Instructional Services	80,035
Extracurricular Activities	80,101
Total Depreciation/Amortization Expense	<u>\$1,720,320</u>

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**Of the current year depreciation total of \$1,720,320, \$35,310 is presented as a support services – business and \$23,009 is presented as support services – pupil transportation expense on the Statement of Activities related to the District's intangible asset of copiers and office space, which are included in the table above as an Intangible Right to Use Lease. With the implementation of GASB Statement No. 87, *Leases*, a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

Note 10 - Receivables

Receivables at June 30, 2025, consisted of taxes, accounts (rent, student fees and tuition), accrued interest and intergovernmental distributions and grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current fiscal year guarantee of Federal funds. All receivables are expected to be collected within one year. A summary of the principal items of intergovernmental receivables are as follows:

General Fund:	
Medicaid Reimbursements	\$325,629
Non-major Governmental Funds:	
Food Service Reimbursements	139,186
IDEA Part B Grant	284,921
Title I Grant	97,654
Drug Free School Grant	100
Improving Teacher Quality Grant	54,915
Total Intergovernmental Receivable	<u><u>\$902,405</u></u>

Note 11 - Interfund Activity

A. Interfund Receivable/Payable

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Governmental Fund:		
General	\$89,403	\$0
Non-major Governmental Fund:		
Other Grants Fund	0	27,731
Title I	0	60,867
Improving Teacher Quality	0	805
Total	<u><u>\$89,403</u></u>	<u><u>\$89,403</u></u>

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

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

B. Interfund Transfers

Interfund transfers for the year ended June 30, 2025, consisted of the following, as reported on the fund financial statements:

	Transfers In	Transfers Out
Major Governmental Fund:		
General	\$0	\$5,180,118
Non-major Governmental Funds:		
Bond Retirement	435,385	0
Permanent Improvement	4,710,149	0
Other Grant	9,584	0
District Manged Student Activity	25,000	0
Total	<u>\$5,180,118</u>	<u>\$5,180,118</u>

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

Note 12 - Long-term Obligations

The changes in the District's long-term obligations during fiscal year 2025 were as follows:

	(Restated) Outstanding 6/30/24	Additions	Deductions	Amount Outstanding 6/30/25	Amounts due in One Year
Governmental-Type Activities					
2011 Qualified School Construction Bonds	\$697,603	\$0	(\$232,533)	\$465,070	\$232,533
2018 School Imp. & Refunding 2.80%	590,000	0	(65,000)	525,000	65,000
Financed Purchase Agreements	2,299,000	0	(322,000)	1,977,000	335,000
Leases	128,751	0	(59,968)	68,783	52,344
Compensated Absences	12,576,564	0	(1,516,087)	11,060,477	443,148
<i>Total Before Net Pension & OPEB Liability</i>	<u>16,291,918</u>	<u>0</u>	<u>(2,195,588)</u>	<u>14,096,330</u>	<u>1,128,025</u>
Net Pension Liability:					
STRS & SERS Plans	45,840,184	0	(3,881,865)	41,958,319	0
Net OPEB Liability:					
SERS Plan	2,970,639	0	(1,104,540)	1,866,099	0
<i>Total Long-Term Obligations</i>	<u>\$65,102,741</u>	<u>\$0</u>	<u>(\$7,181,993)</u>	<u>\$57,920,748</u>	<u>\$1,128,025</u>

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

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In November of 2018 the Board of Education passed a resolution for the issuance and sale of refunding bonds (Stadium phase I and II) in the amount of \$845,000 for acquiring athletic facilities improvements at the Boardman High School campus and related site improvements constructed from proceeds of a lease-purchase agreement dated May 28, 2015. The bonds were issued at an interest rate of 2.80 percent and mature on June 1, 2028 and are being repaid with booster club donations. This bond was refinanced to a lower interest rate in fiscal year 2020 and no principal payment was made.

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

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

Fiscal Year Ending June 30,	Leases					
	Copiers			Computer Equipment		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$28,343	\$385	\$28,728	\$24,001	\$959	\$24,960
2027	0	0	0	16,439	201	16,640
Total	<u>\$28,343</u>	<u>\$385</u>	<u>\$28,728</u>	<u>\$40,440</u>	<u>\$1,160</u>	<u>\$41,600</u>

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

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

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

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

The District's overall legal debt margin was \$110,414,859 with an unvoted debt margin of \$1,236,890, and a legal energy conservation debt margin of \$11,132,006 at June 30, 2025.

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Principal and interest requirements to retire the school construction bonds, and energy conservation bond outstanding at June 30, 2025, are as follows:

Fiscal year Ending June 30,	2011 Qualified School Construction Bonds		2018 School Improvement & Refunding Bonds	
	Principal	***Interest	Principal	Interest
2026	\$232,533	\$179,283	\$65,000	\$13,790
2027	232,537	89,642	140,000	10,920
2028	0	0	160,000	6,720
2029	0	0	160,000	2,240
Total	\$465,070	\$268,925	\$525,000	\$33,670

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

Note 13 – Financed Purchases Payable from Direct Borrowing

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

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

Principal and interest payments on the classroom additions financed purchase agreement in the 2025 fiscal year totaled \$322,000 and \$90,009, respectively. These amounts are reported as debt service payments of the Permanent Improvement capital projects fund.

The following is a schedule of the future minimum payments required under the financed purchase obligation and the present value of the future minimum financed purchase payments as of June 30, 2025:

Fiscal Year Ending June 30,	
2026	\$425,009
2027	423,509
2028	165,727
2029	165,434
2030	164,893
2031 - 2035	819,575
2036 - 2037	324,531
Total Minimum Financed Purchase Payments	2,488,678
Less: Amount Representing Interest	(511,678)
Present Value of Minimum Financed Purchases	<u>\$1,977,000</u>

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Notes to the Basic Financial Statements
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Note 14 - Risk Management

A. Property, Fleet and Liability Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains comprehensive commercial insurance coverage for real property, building contents, vehicles, boilers, electronic data processing equipment and instruments.

The comprehensive commercial property coverage limit is \$232,717,238, with a \$75,000 deductible and 100% coinsurance. The business auto coverage limits are \$1,000,000 with a \$10,000,000 umbrella liability and \$1,000,000 for uninsured motorists, no deductible. The audio-visual and computer equipment policy and musical instrument policy are covered under the commercial property coverage limit. The machinery and equipment policy has a \$100,000,000 annual aggregate with a \$1,000 deductible. The commercial crime coverage liability limit is \$500,000 and \$1,000,000 for computer and funds transfer fraud. The District has general liability coverage limits of \$1,000,000 each occurrence and \$3,000,000 annual aggregate plus a \$10,000,000 umbrella liability and a \$10,000,000 aggregate.

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

B. Employee Medical Benefits

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

	Medical/RX	Dental	Vision
Family	\$ 2,535	\$ 125	\$ 29
Employee/Spouse	1,902	73	18
Employee/Dependent	1,539	88	19
Single	906	37	11

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

The claims liability of \$547,782 reported in the internal service fund at June 30, 2025, is based on an estimate provided by the third party administrator and the requirements of the Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

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	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2024	\$707,926	6,795,350	6,647,276	\$856,000
2025	856,000	7,160,622	7,468,840	547,782

C. Workers' Compensation

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

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

Note 15 – Defined Benefit Pension Plans

The Statewide retirement system provides both pension benefits and other postemployment benefits (OPEB).

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

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a

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portion of the employer's contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

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

B. School Employees Retirement System

Plan Description - District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. Established in 1937, SERS provides retirement, disability, and survivor benefits to non-teaching employees of Ohio's public K-12 school districts. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org 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 on or After August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base

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benefit amount on the anniversary date of the benefit. The COLA, is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent.

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, 2025, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2025, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$1,130,741 for fiscal year 2025. Of this amount \$615,228 is reported as an intergovernmental payable.

C. State Teachers Retirement System

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. The calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of credited service. Effective August 1, 2023, any member can retire with unreduced benefits with 34 years of services credit at any age; or five years of service credit and age 65. Effective June 1, 2025 - July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age; or five years of service credit and age 65. Effective on or after Aug. 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits effective August 1, 2023, can retire with 29 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2025 - July 1, 2027, retirement eligibility for reduced benefits is 28 years of service credit at any age; or five years of service credit and age 60. Effective on or after August 1, 2027, retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

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.

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

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

A DB or CO Plan member with five or more years of credited service, who is determined to be disabled, may qualify for a disability benefit. New members on or after July 1, 2013 must have at least 10 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 2025 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2025, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$3,487,568 for fiscal year 2025. Of this amount \$633,792 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

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	SERS	STRS	Total
Proportion of the Net Pension Liability Prior Measurement Date	0.17526830%	0.16789325%	
Proportion of the Net Pension Liability Current Measurement Date	0.18025260%	0.17013812%	
Change in Proportionate Share	0.00498430%	0.00224487%	
Proportionate Share of the Net Pension Liability	\$9,220,996	\$32,737,323	\$41,958,319
Pension Expense	\$572,777	\$1,409,024	\$1,981,801

At June 30, 2025, the 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	\$352,050	\$2,061,595	\$2,413,645
Change of Assumptions	82,488	1,508,715	1,591,203
Change in Proportionate Share	196,172	366,786	562,958
District contributions subsequent to the measurement date	1,130,741	3,487,568	4,618,309
Total Deferred Outflows of Resources	\$1,761,451	\$7,424,664	\$9,186,115
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$17,926	\$17,926
Net difference between projected and actual earnings on pension plan investments	576,768	2,814,746	3,391,514
Change of Assumptions	0	1,135,630	1,135,630
Change in Proportionate Share	50,552	346,509	397,061
Total Deferred Inflows of Resources	\$627,320	\$4,314,811	\$4,942,131

\$4,618,309 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2026	(\$413,283)	(\$2,014,104)	(\$2,427,387)
2027	615,633	3,016,506	3,632,139
2028	(29,360)	(819,249)	(848,609)
2029	(169,600)	(560,868)	(730,468)
Total	\$3,390	(\$377,715)	(\$374,325)

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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, 2024, are presented below:

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

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	3.00 %	0.97 %
U.S. Equity	22.00	4.68
Non-U.S. Equity Developed	12.00	4.96
Non-U.S. Equity Emerging	6.00	5.66
Fixed Income/Global Bond	18.00	2.38
Private Equity	14.00	7.10
Real Estate/Real Assets	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.0 percent. The discount rate determination does not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 20-year amortization period of the unfunded actuarial accrued liability. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.0 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments for fiscal year 2024, was 9.31 percent.

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's Proportionate Share of the Net Pension Liability	\$14,106,847	\$9,220,996	\$5,107,373

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Post-retirement mortality rates 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 Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2024 valuation are based on the results of the latest available actuarial experience study which is for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

Asset Class	Target Allocation*	Long-Term Expected Rate of Return**
Domestic Equity	26.00 %	6.90 %
International Equity	22.00	7.70
Fixed Income	22.00	4.50
Alternatives	19.00	9.10
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	100.00 %	7.00 %

*Final target weights reflected at October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4 percent and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.0 percent as of June 30, 2024. 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, 2024. Therefore, the long-term expected rate of return on pension plan investments of 7.0 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2024.

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's Proportionate Share of the Net Pension Liability	\$52,811,039	\$32,737,323	\$15,758,408

Assumption and Benefit Changes Since the Prior Measurement Date The discount rate remained at 7.00 percent for June 30, 2024 valuation.

Retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages.

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

E. Social Security System

Effective, July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System of Ohio. As of June 30, 2025, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

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

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

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2025, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the District's surcharge obligation was \$139,815.

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$139,815 for fiscal year 2025, all of which was reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be continued indefinitely. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org 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, 2025, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/(asset) was measured as of June 30, 2024, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/(asset) was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

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	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset)			
Prior Measurement Date	0.18031790%	0.16789325%	
Proportion of the Net OPEB Liability (Asset)			
Current Measurement Date	0.18322120%	0.17013812%	
Change in Proportionate Share	0.00290330%	0.00224487%	
Proportionate Share of the Net OPEB Liability (Asset)	\$1,866,099	(\$3,227,195)	(\$1,361,096)
OPEB Expense	(\$392,131)	(\$719,803)	(\$1,111,934)

At June 30, 2025, the 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	\$0	\$140,293	\$140,293
Net difference between projected and actual earnings on OPEB plan investments	9,113	0	9,113
Change of Assumptions	800,932	397,222	1,198,154
Change in Proportionate Share	237,203	6,487	243,690
District contributions subsequent to the measurement date	139,815	0	139,815
Total Deferred Outflows of Resources	\$1,187,063	\$544,002	\$1,731,065
Deferred Inflows of Resources			
Differences between expected and actual experience	\$2,012,139	\$347,782	\$2,359,921
Net difference between projected and actual earnings on pension plan investments	0	138,567	138,567
Change of Assumptions	857,219	1,455,444	2,312,663
Change in Proportionate Share	405,248	19,287	424,535
Total Deferred Inflows of Resources	\$3,274,606	\$1,961,080	\$5,235,686

\$139,815 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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	SERS	STRS	Total
Fiscal Year Ending June 30:			
2026	(\$585,339)	(\$499,057)	(\$1,084,396)
2027	(386,310)	(219,332)	(605,642)
2028	(299,727)	(279,203)	(578,930)
2029	(290,826)	(259,517)	(550,343)
2030	(288,082)	(210,266)	(498,348)
Thereafter	(377,074)	50,297	(326,777)
Total	(\$2,227,358)	(\$1,417,078)	(\$3,644,436)

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, 2024, are presented below:

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.0 percent net of investment expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.93 percent
Prior Measurement Date	3.86 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	4.88 percent
Prior Measurement Date	4.27 percent
Medical Trend Assumption	
Medicare	7.00 to 4.40 percent

Boardman Local School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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. Disabled retirees is based on 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. Contingent survivors are based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020 and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.0 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The 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 15 for details.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2024 was 4.88 percent. The discount rate used to measure total OPEB liability prior to June 30, 2024 was 4.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 1.50 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic pension benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2024, 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 benefit s after the date of depletion. The Municipal Bond Index Rate is 3.93 percent at June 30, 2024 and 3.86 percent at June 30, 2023.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.88 percent) and higher (5.88 percent) than the current discount rate (4.88 percent). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00 percent decreasing to 3.40 percent) and higher (8.00 percent decreasing to 5.40 percent) than the current rate.

Boardman Local School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1% Increase (5.88%)
District's proportionate share of the net OPEB liability (asset)	\$2,488,377	\$1,866,099	\$1,371,616
	1% Decrease (6.00 % decreasing to 3.40 %)	Current Trend Rate (7.00% decreasing to 4.40 %)	1% Increase (8.00 % decreasing to 5.40 %)
District's proportionate share of the net OPEB liability (asset)	\$1,261,413	\$1,866,099	\$2,660,910

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024, actuarial valuation are presented below:

Projected salary increases	Varies by Service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.0 percent, net of investment expenses, including inflation
Payroll Increases	3.0 percent
Discount Rate of Return	7.0 percent
Health Care Cost Trends:	
<i>Medical</i>	
Pre-Medicare	7.50 percent initial, 3.94 percent ultimate
Medicare	(112.22) percent initial, 3.94 percent ultimate
<i>Prescription Drug</i>	
Pre-Medicare	8.00 percent initial, 3.94 percent ultimate
Medicare	(15.14) percent initial, 3.94 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2024, 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.

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

Boardman Local School District
Mahoning County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Discount Rate The discount rate used to measure the total OPEB liability was 7.0 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on health care plan investments of 7.0 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2024.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2024, calculated using the current period discount rate assumption of 7.0 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.0 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net OPEB asset	\$2,623,923	\$3,227,195	\$3,752,173

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$3,787,635	\$3,227,195	\$2,553,193

Assumption and Benefit Changes Since the Prior Measurement Date The discount rate remained unchanged at 7.00 percent for June 30, 2024, valuation.

Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

Note 17 - Compensated Absences

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

Each employee earns sick leave at the rate of one and one-quarter days per month. Sick leave may be accumulated without a maximum for all employees. Upon retirement, classified employees receive payments for twenty five percent of the total sick leave accumulation up to a maximum of 70 days. Teachers and administrators receive payment for twenty five percent of the total sick leave accumulation up to 70 days.

Boardman Local School District
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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 18 - Set-Asides

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

	Capital Improvements	Budget Stabilization
Set-Aside Reserve Balance as of June 30, 2024	\$0	\$64,292
Current Year Set-Aside Requirement	902,316	0
Qualifying Disbursements	0	0
Current year offsets	(5,943,386)	0
Total	<u>(\$5,041,070)</u>	<u>\$64,292</u>
Set-Aside Balance Carried Forward to		
Future Fiscal Years	<u>\$0</u>	<u>\$64,292</u>
Cash balance as of June 30, 2025	<u>\$0</u>	<u>\$64,292</u>

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

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

Note 19 - Contingencies

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2025, if applicable, cannot be determined at this time.

B. Litigation

The District is not party to any legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending at June 30, 2025.

Boardman Local School District
Mahoning County, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

C. School District Foundation

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

Note 20 – Tax Abatements

As of June 30, 2025, the District provides tax abatements through an Enterprise Zone (Ezone). This program relates to the abatement of property taxes.

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

Boardman Local School District
Mahoning County, Ohio

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's Proportion of the Net Pension Liability	0.180252600%	0.175268300%	0.177320800%	0.192957100%	0.175385300%	0.187508600%	0.198496500%	0.196076800%	0.195432000%	0.20487260%
School District's Proportionate Share of the Net Pension Liability	\$9,220,996	\$9,684,477	\$9,590,888	\$7,119,557	\$11,600,353	\$11,218,968	\$11,368,262	\$11,715,156	\$14,305,371	\$11,690,229
School District's Employee Payroll	\$7,554,071	\$6,953,357	\$6,623,936	\$6,393,007	\$6,416,007	\$6,449,565	\$6,310,000	\$6,338,864	\$7,165,364	\$7,890,432
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Employee Payroll	122.07%	139.28%	144.79%	111.36%	180.80%	173.95%	180.16%	184.81%	199.65%	148.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.52%	76.06%	75.82%	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%

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

See accompanying notes to the required supplementary information.

Boardman Local School District
Mahoning County, Ohio

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's Proportion of the Net Pension Liability	0.170138120%	0.167893250%	0.169395840%	0.169764003%	0.173027770%	0.176757040%	0.180722580%	0.182532240%	0.182195130%	0.183074830%
School District's Proportionate Share of the Net Pension Liability	\$32,737,323	\$36,155,707	\$37,656,909	\$21,705,854	\$41,866,564	\$39,088,757	\$39,736,838	\$43,360,925	\$60,986,202	\$50,596,528
School District's Employee Payroll	\$23,614,321	\$22,677,064	\$22,022,264	\$20,947,764	\$20,881,750	\$20,646,426	\$18,917,807	\$18,536,643	\$19,170,429	\$19,723,779
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Employee Payroll	138.63%	159.44%	170.99%	103.62%	200.49%	189.32%	210.05%	233.92%	318.13%	256.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.55%	80.00%	78.90%	87.80%	75.48%	77.40%	77.30%	75.30%	66.80%	72.10%

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

See accompanying notes to the required supplementary information.

Boardman Local School District

Mahoning County, Ohio

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually Required Pension Contribution	\$1,130,741	\$1,057,570	\$973,470	\$927,351
Pension Contributions in Relation to the Contractually Required Contribution	(\$1,130,741)	(\$1,057,570)	(\$973,470)	(\$927,351)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$8,076,721	\$7,554,071	\$6,953,357	\$6,623,936
Contributions as a Percentage of Employee Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

2021	2020	2019	2018	2017	2016
\$895,021	\$898,241	\$870,691	\$883,400	\$887,441	\$1,003,151
(\$895,021)	(\$898,241)	(\$870,691)	(\$883,400)	(\$887,441)	(\$1,003,151)
\$0	\$0	\$0	\$0	\$0	\$0
\$6,393,007	\$6,416,007	\$6,449,565	\$6,310,000	\$6,338,864	\$7,165,364
14.00%	14.00%	13.50%	14.00%	14.00%	14.00%

Boardman Local School District

Mahoning County, Ohio

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually Required Pension Contribution	\$3,487,568	\$3,306,005	\$3,174,789	\$3,083,117
Pension Contributions in Relation to the Contractually Required Contribution	(\$3,487,568)	(\$3,306,005)	(\$3,174,789)	(\$3,083,117)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$24,911,200	\$23,614,321	\$22,677,064	\$22,022,264
Contributions as a Percentage of Employee Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

2021	2020	2019	2018	2017	2016
\$2,932,687	\$2,923,445	\$2,890,500	\$2,648,493	\$2,595,130	\$2,683,860
(\$2,932,687)	(\$2,923,445)	(\$2,890,500)	(\$2,648,493)	(\$2,595,130)	(\$2,683,860)
\$0	\$0	\$0	\$0	\$0	\$0
\$20,947,764	\$20,881,750	\$20,646,426	\$18,917,807	\$18,536,643	\$19,170,429
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Boardman Local School District
Mahoning County, Ohio

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.183221200%	0.180317900%	0.181732900%	0.198109400%	0.182569500%	0.192290300%	0.202760000%	0.198058700%	0.195432000%
School District's Proportionate Share of the Net OPEB Liability	\$1,866,099	\$2,970,639	\$2,551,849	\$3,749,383	\$3,967,833	\$4,835,697	\$5,556,197	\$5,315,375	\$5,645,406
School District's Employee Payroll	\$7,554,071	\$6,953,357	\$6,623,936	\$6,393,007	\$6,416,007	\$6,449,565	\$6,310,000	\$6,338,864	\$7,165,364
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Employee Payroll	24.70%	42.72%	38.52%	58.65%	61.84%	74.98%	88.05%	83.85%	78.79%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	44.50%	30.02%	30.34%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

Boardman Local School District
Mahoning County, Ohio

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability (Asset)	0.170138120%	0.167893250%	0.169395840%	0.169764003%	0.173027770%	0.176757040%	0.180722580%	0.182532240%	0.182195130%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$3,227,195)	(\$3,265,292)	(\$4,386,221)	(\$3,579,335)	(\$3,040,960)	(\$2,927,521)	(\$2,904,028)	\$7,121,734	\$9,761,872
School District's Employee Payroll	\$23,614,321	\$22,677,064	\$22,022,264	\$20,947,764	\$20,881,750	\$20,646,426	\$18,917,807	\$18,536,643	\$19,170,429
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Employee Payroll	-13.67%	-14.40%	-19.92%	-17.09%	-14.56%	-14.18%	-15.35%	38.42%	50.92%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	158.01%	168.52%	230.73%	174.73%	182.13%	174.74%	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

Boardman Local School District
Mahoning County, Ohio

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required OPEB Contributions	\$139,815	\$129,097	\$131,634	\$120,834	\$123,322	\$117,391	\$150,229	\$103,318	\$103,719	\$101,334
OPEB Contributions in Relation to the Contractually Required Contribution	(\$139,815)	(\$129,097)	(\$131,634)	(\$120,834)	(\$123,322)	(\$117,391)	(\$150,229)	(\$103,318)	(\$103,719)	(\$101,334)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$8,076,721	\$7,554,071	\$6,953,357	\$6,623,936	\$6,393,007	\$6,416,007	\$6,449,565	\$6,310,000	\$6,338,864	\$7,165,364
Contributions as a Percentage of Employee Payroll	1.73%	1.71%	1.89%	1.82%	1.93%	1.83%	2.33%	1.64%	1.64%	1.41%

(1) Information prior to 2015 available upon request.

See accompanying notes to the required supplementary information.

Boardman Local School District
Mahoning County, Ohio

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required OPEB Contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OPEB Contributions in Relation to the Contractually Required Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Employee Payroll	\$24,911,200	\$23,614,321	\$22,677,064	\$22,022,264	\$20,947,764	\$20,881,750	\$20,646,426	\$18,917,807	\$18,536,643	\$19,170,429
Contributions as a Percentage of Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Information prior to 2015 available upon request.

See accompanying notes to the required supplementary information.

Boardman Local School District
Mahoning County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025*

Net Pension Liability

Changes in Assumptions – SERS

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

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

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

Beginning in 2022, amounts reported use mortality rates based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

Fiscal Year 2022

*Assumed rate of inflation was reduced from 3.00% to 2.40%

*Payroll growth assumption was reduced from 3.50% to 1.75%

*Assumed real wage growth was increased from 0.50% to 0.85%

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

*The discount rate was reduced from 7.50% to 7.00%

*Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement and disability were updated to reflect recent experience.

*Mortality among active members was updated to the following:
PUB-2010 General Amount Weighted Below Median Employee mortality table. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

*Mortality among service retired members was updated to the following:
PUB-2010 General Employee Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Boardman Local School District
Mahoning County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025*

Net Pension Liability

Changes in Assumptions – SERS (continued)

- *Mortality among contingent survivors was updated to the following:
PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.
- *Mortality among disabled members was updated to the following:
PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Fiscal Year 2023-2024

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

Fiscal Year 2025

- *None

Changes of Benefit and Funding Terms – SERS

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

- *Members, or their survivors, retiring prior to January 1, 2018, receive a COLA increase of 3 percent of their base benefit on the anniversary of their initial date of retirement.
- *Members, or their survivors, retiring on and after January 1, 2018, receive a COLA increase on each anniversary of their initial date of retirement equal to the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent, nor greater than 2.5 percent. COLAs are suspended for calendar years 2018, 2019, and 2020.
- *Members, or their survivors, retiring on and after April 1, 2018, will have their COLA delayed for three years following their initial date of retirement.

Fiscal Year 2022-2025

None

Boardman Local School District
Mahoning County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025*

Net Pension Liability

Changes in Assumptions - STRS

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

	<u>Fiscal Year 2022</u>
Inflation	2.50 Percent
Projected Salary Increases	Varies by Service from 2.50 to 8.50 Percent
Investment Rate of Return	7.00 Percent, Net of Expenses, Including Inflation
Payroll Increases	3.00 Percent
Cost of Living Adjustments (COLA)	0 Percent, Effective July 1, 2017
	<u>Fiscal Year 2018</u>
Inflation	2.50 Percent
Projected Salary Increases	12.50 Percent at Age 20 to 2.50 Percent at Age 65
Investment Rate of Return	7.45 Percent, Net of Expenses, Including Inflation
Payroll Increases	3.00 Percent
Cost of Living Adjustments (COLA)	0 Percent, Effective July 1, 2017
	<u>Fiscal Year 2017 & Prior</u>
Inflation	2.75 Percent
Projected Salary Increases	12.25 Percent at Age 20 to 2.75 Percent at Age 70
Investment Rate of Return	7.75 Percent, Net of Expenses, Including Inflation
Payroll Increases	3.50 Percent
Cost of Living Adjustments (COLA)	2 Percent Simple applied as follows: For Members Retiring Before August 1, 2013 3 percent per year. For Members retiring August 1, 2013 or later, 2 percent COLA commences on 5th anniversary date

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

Boardman Local School District
Mahoning County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025*

Net Pension Liability

Changes in Assumptions – STRS (continued)

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

Fiscal Year 2022

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

Fiscal Year 2023-2024

*The investment and discount rate remained at 7.0 percent.

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

Fiscal Year 2025

*The investment and discount rate remained at 7.0 percent.

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

*Retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages.

Changes in Benefit Terms - STRS

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

Fiscal Year 2023

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

Fiscal Year 2025

*None

Boardman Local School District
Mahoning County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025*

Net OPEB Liability

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:

Fiscal year 2025	3.93 percent
Fiscal year 2024	3.86 percent
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation

Fiscal year 2025	4.88 percent
Fiscal year 2024	4.27 percent
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Fiscal Year 2022

*The discount rate was changed from 2.63% to 2.27%.

*The investment rate of return was reduced from 7.50% to 7.00%.

*Assumed rate of inflation was reduced from 3.00% to 2.40%

*Payroll Growth Assumption was reduced from 3.50% to 1.75%

*Assumed real wage growth was increased from 0.50% to 0.85%

*Rates of withdrawal, retirement and disability were updated to reflect recent experience.

*Rate of health care participation for future retirees and spouses was updated to reflect recent experience.

*Mortality among active members was updated to the following:

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

*Mortality among service retired members was updated to the following:

PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.

*Mortality among beneficiaries was updated to the following:

PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

Boardman Local School District
Mahoning County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025*

Net OPEB Liability

*Mortality among disabled member was updated to the following:

PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.

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

Changes in Assumptions – SERS (continued)

Fiscal Year 2023

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

*The health care trend rates were updated.

Fiscal Year 2024

The Discount rate changed from 4.08% to 4.27%.

Health care trend rates were updated.

Assumption for percentage of pre-Medicare eligible retirees who choose the Wraparound plan was increased from 10% to 20%.

Health care trend assumption on retiree premiums was updated to not apply the trend to the \$35 surcharge.

Assumption was added to assume that 15% of pre-65 retirees who waive health care will elect coverage upon Medicare eligibility.

Morbidity factors were updated based on the society of Actuaries' June 2013 research report, Health Care Costs—From Birth to Death by Dale Yamamoto, and from the Actuarial Standards of Practice (ASOP) 6 practice note developed by the American Academy of Actuaries.

Fiscal Year 2025

The Discount rate changed from 4.27% to 4.88%.

Changes of Benefit and Funding Terms – SERS

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

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

Fiscal Year 2022

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

Fiscal Year 2023

None

Fiscal Year 2024

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

Fiscal Year 2025

None

Boardman Local School District
Mahoning County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025*

Net OPEB Liability

Changes in Assumptions – STRS OPEB

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

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

Fiscal Year 2022

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

Fiscal Year 2023

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

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

Fiscal Year 2024 - 2025

The investment and discount rate of return remained unchanged at 7.0 percent.

Changes in Benefit Terms – STRS OPEB

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

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

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

Boardman Local School District
Mahoning County, Ohio

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025*

Changes in Benefit Terms – STRS OPEB (continued)

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

Fiscal Year 2022

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

Fiscal Year 2023

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

Fiscal Year 2024

Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

Fiscal Year 2025

Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

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**BOARDMAN LOCAL SCHOOL DISTRICT
MAHONING COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Receipts	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Education Workforce:</i>				
Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	10.555		\$ 132,901	\$ 132,901
Cash Assistance:				
School Breakfast Program	10.553		188,808	217,871
National School Lunch Program	10.555		799,325	940,500
Fresh Fruit and Vegetable Program	10.582		7,770	7,770
Nutrition Cluster Total (Cash and Non-Cash)			<u>1,128,804</u>	<u>1,299,042</u>
Total U.S. Department of Agriculture			<u>1,128,804</u>	<u>1,299,042</u>
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through Ohio Department of Education Workforce:</i>				
Title I Grants to Local Educational Agencies	84.010		1,263,566	1,243,799
Special Education Cluster:				
Grants to States (IDEA Part B)	84.027		886,230	1,013,643
<i>Passed Through Mahoning County Educational Service Center:</i>				
Special Education-Preschool Grants (IDEA Preschool)	84.173	MCESC	19,942	19,942
Special Education Cluster Total			<u>906,172</u>	<u>1,033,585</u>
<i>Passed Through Mahoning County Educational Service Center:</i>				
English Language Acquisition State Grants (Title III)	84.365	MCESC	17,192	17,192
<i>Passed Through Ohio Department of Education Workforce:</i>				
English Language Acquisition State Grants (Title III)	84.365		<u>19,295</u>	<u>3,265</u>
Total English Language Acquisition State Grants (Title III)			<u>36,487</u>	<u>20,457</u>
<i>Passed Through Ohio Department of Education Workforce:</i>				
Supporting Effective Instruction State Grants (Title IIA)	84.367		157,972	227,488
Student Support & Academic Enrichment Program (Title IV-A)	84.424		112,844	108,100
COVID-19 Higher Education Emergency Relief (HEERF) Fund – Institutional Portion	84.424F	COVID-19	<u>104,105</u>	<u>54,175</u>
Total Student Support and Academic Enrichment Program			<u>216,949</u>	<u>162,275</u>
COVID-19 Elementary and Secondary School Emergency Relief Fund (ARP ESSER)	84.425U	COVID-19	413,698	-
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ESSER ARP Homeless Targeted Support)	84.425W	COVID-19	<u>4,641</u>	<u>-</u>
Total Educational Stabilization Fund (ESF)			<u>418,339</u>	<u>-</u>
Total U.S. Department of Education			<u>2,999,485</u>	<u>2,687,604</u>
U.S. Department of Treasury				
<i>Passed Through Ohio Attorney General's Office:</i>				
COVID-19 - Ohio K12 School Safety Grant	21.027	COVID-19	-	260,227
Total U.S. Department of Treasury			<u>-</u>	<u>260,227</u>
Total Receipts and Expenditures of Federal Awards			<u><u>\$ 4,128,289</u></u>	<u><u>\$ 4,246,873</u></u>

The accompanying notes are an integral part of this schedule.

**BOARDMAN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Receipts and Expenditures of Federal Awards (the Schedule) includes the federal award activity of Boardman Local School District (the District) under programs of the federal government for the year ended June 30, 2025. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C - INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E - FOOD DONATION PROGRAM

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

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with DEW's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2025 to 2026 programs:

<u>Program Title</u>	<u>AL Number</u>	<u>Amt.</u> <u>Transferred</u>
Title I Grants to Local Educational Agencies	84.010	\$ 99,378
Supporting Effective Instruction State Grants	84.367	\$ 7,364
Student Support and Academic Enrichment Program	84.424	\$ 13,813
Special Education Grants to States	84.027	\$ 123,714

OHIO AUDITOR OF STATE KEITH FABER

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

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

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Boardman Local School District, Mahoning County, Ohio (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 27, 2026, wherein we noted the District adopted Government Accounting Standards Board Statement No. 101.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

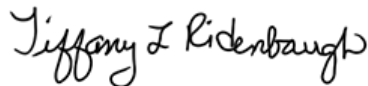
District's Response to Findings

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

Purpose of This Report

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

KEITH FABER
Ohio Auditor of State



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

April 27, 2026



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

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

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Boardman Local School District's, Mahoning County, (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Boardman Local School District's major federal programs for the year ended June 30, 2025. Boardman Local School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Boardman Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2025-002 to be a material weakness.

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

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

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

KEITH FABER
Ohio Auditor of State



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

April 27, 2026

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**BOARDMAN LOCAL SCHOOL DISTRICT
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2025**

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)?	Yes
(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?	Yes
(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 (Nutrition Cluster – AL #10.553, #10.555, and #10.582) Unmodified (Special Education Cluster – AL #84.027 and #84.173)
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list):	Nutrition Cluster (AL #10.553, #10.555, and #10.582) Special Education Cluster (AL #84.027 and #84.173)
(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**

FINDING 2025-001

Material Weakness – Financial Reporting

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

The District hired an outside accounting firm to convert the District's cash-basis financial statements to the required GAAP basis. However, the District did not have policies and procedures in place to identify financial statement errors, which resulted in the following adjustments to the accompanying financial statements:

- Errors in the GASB 101 implementation and testing resulted in an overstatement to Long-term Liabilities in the amount of \$2,028,636, an understatement of \$620,582 to Unrestricted Net Position, and an overstatement of \$1,408,054 to Governmental Expenses in Governmental Activities;
- Errors in the Wage Obligation Report resulted in an understatement to Accrued Wages & Benefits Payable and expenditures in the amount of \$212,407 for the Governmental Activities and General Fund opinion units;
- Errors in the GASB 54 fund balance classifications resulted in an understatement to the Committed Fund Balances and an overstatement to Restricted Fund Balances in Other Governmental Funds in the amount of \$4,173,697; and
- Errors in the net position classifications resulted in an understatement to Net Position Unrestricted (Deficit) and an overstatement Net Position Restricted for Capital Projects in Governmental Activities in the amount of \$4,114,090.

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

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

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

Officials' Response: See Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. Nutrition Cluster Eligibility

Finding Number:	2025-002
Assistance Listing Number and Title:	AL #10.553, #10.555, and #10.5582 Nutrition Cluster
Federal Award Identification Number / Year:	2025
Federal Agency:	United States Department of Agriculture
Compliance Requirement:	Eligibility
Pass-Through Entity:	Ohio Department of Education and Workforce
Repeat Finding from Prior Audit?	No

Material Weakness

Non-Federal entities must establish and maintain effective internal controls over Federal awards that provide reasonable assurance that the non-Federal entity is managing Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

The District participated in Child Nutrition Cluster programs, for which the federal government reimburses the District for eligible children. During the school year, the School District is required to establish a child's eligibility to receive program benefits. The District accepted online applications for free and reduced meals, with which eligibility was determined based on several factors, including, but not limited to family size and income. PaySchools, the District's Point of Sale (POS) software, selects the student to be verified based on the number of online/paper applications received. The Food Service Supervisor is required to verify income eligibility with the application signer. If income documentation is not received or the income documentation is not below the USDA guidelines for free/reduced lunches, the Food Service Supervisor is to notify the application signer that there will be a change in eligibility status and report those changes to the Ohio Department of Education and Workforce (DEW). These changes must also be made to the POS software system.

The District received applications in paper and online through PaySchools to determine eligibility for free and reduced meals. Testing identified 5 of 60 applications, or 8.3% were not reviewed by the District to ensure PaySchools made the proper determination. Further testing revealed the District received 2,227 applications through PaySchools, 1,615 of which were direct certified, leaving the remaining 612 applications subject to District review. Testing identified 1 of 612 applications or .16% did not maintain documentation supporting District reviews or approvals over program eligibility requirements. This is the result of the District not establishing procedures in place over online applications to ensure the system determined the proper eligibility status based on the information provided in the application.

Failure to implement controls over all eligibility applications may result in ineligible students receiving benefits and may result in questioned costs and reduced program funding.

The District should implement control procedures for PaySchools applications to help ensure students are properly marked as paid, free, reduced, or denied.

Officials' Response: See Corrective Action Plan.

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BOARDMAN BOARD OF EDUCATION

7777 GLENWOOD AVE.
YOUNGSTOWN, OHIO 44512-5678

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) June 30, 2025

Finding Number: 2025-001

Planned Corrective Action: The District will research and understand new GASB pronouncements as they are issued and review financial statements prepared by the GAAP converter in detail before they are filed. The District will work directly with the GAAP converter to ensure that all GASB pronouncements are being followed and applied to the District's financial statements.

Anticipated Completion Date: 6/30/2026

Responsible Contact Person: Arthur J. Ginnetti III, Treasurer

Finding Number: 2025-002

Planned Corrective Action: The Food Service Supervisor will verify that PaySchools contains the correct income eligibility guidelines provided by ODEW for the current school year. These income determination charts will be verified twice annually, prior to application submissions and again midway through the school year. In addition, the District will randomly sample 10% of portal applications entered in PaySchools to ensure eligibility determinations were processed correctly in accordance with program income eligibility requirements. The annual verification process conducted in November will further confirm the accuracy of selected applications. Documentation of these reviews will be maintained in spreadsheet format and printed, signed, and dated by the Food Service Supervisor by November 15 of each school year.

Anticipated Completion Date: 6/30/2026

Responsible Contact Person: Arthur J. Ginnetti III, Treasurer

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OHIO AUDITOR OF STATE KEITH FABER



BOARDMAN LOCAL SCHOOL DISTRICT

MAHONING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 6/2/2026

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

This report is a matter of public record and is available online at
www.ohioauditor.gov