OHIO AUDITOR OF STATE
**KEITH FABER**

**BUCKEYE LOCAL SCHOOL DISTRICT**
**ASHTABULA COUNTY**
**JUNE 30, 2025**

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**ASHTABULA COUNTY**
**JUNE 30, 2025**

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OHIO AUDITOR OF STATE
KEITH FABER

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# INDEPENDENT AUDITOR'S REPORT

Buckeye Local School District
Ashtabula County
3436 Edgewood Drive
Ashtabula, Ohio 44004

To the Board of Education:

## Report on the Audit of the Financial Statements

### *Opinions*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Buckeye Local School District, Ashtabula County, Ohio (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, each major fund, and the aggregate remaining fund information of the Buckeye Local School District, Ashtabula County, Ohio as of June 30, 2025, and the respective changes in financial position 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 Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule 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 January 22, 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

January 22, 2026

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The discussion and analysis of Buckeye Local School District's (the District) financial performance provide 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:

*Overall:*

- In total, net position increased $3,104,098 from fiscal year 2024.

- General revenues accounted for $24,053,604 in revenue or 90 percent of all governmental revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $2,576,363 or 10 percent of total governmental revenues of $26,629,967.

- The District had $23,525,869 in expenses related to governmental activities; only $2,576,363 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) coupled with the program revenues were adequate to provide for these programs this fiscal year.

- The general fund had $23,710,489 in revenues and $22,422,241 in expenditures on a modified accrual basis. The general fund's fund balance decreased $14,720,138 in fiscal year 2025 to $7,335,578, from $22,055,716 in fiscal year 2024, a decrease of 67 percent, due to transfers made to other funds.

- The general fund transferred $3,500,0000 to the permanent improvement capital projects fund and $12,500,000 to the capital projects reserve fund during the fiscal year, which now qualifies them as major funds. The District plans to use these funds for future projects and renovations throughout the District.

- The District's total net pension liability decreased to $15,484,108 from $17,162,489 and the OPEB liability decreased to $617,415 from $1,086,610, a combined net decrease of $2,147,576. For more information on this liability see Notes 12 and 13 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 Buckeye 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 Buckeye Local School District, the general fund, permanent improvement and capital projects reserve funds are the most significant funds.

## 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 q*uestion. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

## Reporting the District's Most Significant Funds

*Fund Financial Statements*

The analysis of the District's major funds begins with the balance sheet. 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 funds are the general, permanent improvement and capital projects reserve 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 basic financial statements.

**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 | Increase (Decrease) |
|---|---|---|---|
| **Assets** | | | |
| Current and Other Assets | $37,710,028 | $36,199,232 | $1,510,796 |
| Capital Assets, Net | 2,934,882 | 2,649,938 | 284,944 |
| *Total Assets* | 40,644,910 | 38,849,170 | 1,795,740 |
| **Deferred Outflows of Resources** | | | |
| Pension | 3,445,001 | 3,452,442 | (7,441) |
| OPEB | 579,292 | 681,951 | (102,659) |
| *Total Deferred Outflows of Resources* | 4,024,293 | 4,134,393 | (110,100) |
| **Liabilities** | | | |
| Current Liabilities | 3,053,518 | 2,741,268 | 312,250 |
| Long-Term Liabilities | | | |
| Due within One Year | 824,046 | 161,502 | 662,544 |
| Due in More than One Year: | | | |
| Net Pension Liability | 15,484,108 | 17,162,489 | (1,678,381) |
| Net OPEB Liability | 617,415 | 1,086,610 | (469,195) |
| Other Amounts | 3,379,048 | 4,307,701 | (928,653) |
| *Total Liabilities* | 23,358,135 | 25,459,570 | (2,101,435) |
| **Deferred Inflows of Resources** | | | |
| Property Taxes | 8,520,155 | 8,452,359 | 67,796 |
| Pension | 2,153,017 | 1,456,332 | 696,685 |
| OPEB | 1,930,149 | 2,011,653 | (81,504) |
| *Total Deferred Inflows of Resources* | 12,603,321 | 11,920,344 | 682,977 |
| **Net Position** | | | |
| Net Investment in Capital Assets | 2,694,891 | 2,308,805 | 386,086 |
| Restricted | 17,223,245 | 1,549,506 | 15,673,739 |
| Unrestricted (Deficit) | (11,210,389) | 1,745,338 | (12,955,727) |
| *Total Net Position* | $8,707,747 | $5,603,649 | $3,104,098 |

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 related to pension, OPEB and the net OPEB asset.

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

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

By comparing assets, liabilities, deferred outflows and deferred inflows of resources, one can see the overall position of the District has increased as evidenced by the increase in net position of $3,104,098.

**Table 2**
Change in Net Position

| | 2025 | 2024 | Increase (Decrease) |
|---|---|---|---|
| **Revenues** | | | |
| ***Program Revenues*** | | | |
| Charges for Services and Sales | $801,728 | $1,079,183 | ($277,455) |
| Operating Grants and Contributions | 1,774,635 | 3,031,439 | (1,256,804) |
| *Total Program Revenues* | 2,576,363 | 4,110,622 | (1,534,259) |
| ***General Revenues*** | | | |
| Property Taxes | 8,954,459 | 8,647,094 | 307,365 |
| Intergovernmental | 13,914,400 | 12,762,165 | 1,152,235 |
| Investment Earnings | 1,168,921 | 1,052,493 | 116,428 |
| Miscellaneous | 15,824 | 43,872 | (28,048) |
| *Total General Revenues* | 24,053,604 | 22,505,624 | 1,547,980 |
| *Total Revenues* | 26,629,967 | 26,616,246 | 13,721 |
| ***Program Expenses*** | | | |
| Instruction | 11,475,036 | 11,818,344 | (343,308) |
| Support Services | 10,033,844 | 9,754,922 | 278,922 |
| Operation of Non-Instructional/Food Services | 1,225,721 | 1,083,745 | 141,976 |
| Extracurricular Activities | 783,490 | 856,360 | (72,870) |
| Interest and Fiscal Charges | 7,778 | 12,369 | (4,591) |
| *Total Program Expenses* | 23,525,869 | 23,525,740 | 129 |
| *Change in Net Position* | 3,104,098 | 3,090,506 | 13,592 |
| Net Position Beginning of Year | 5,603,649 | 2,513,143 | 3,090,506 |
| *Net Position End of Year* | $8,707,747 | $5,603,649 | $3,104,098 |

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. As an example, a homeowner with a home valued at $100,000 and taxed at 1.0 mill would pay $35.00 annually in taxes. If three years later the home were reappraised and increased to $200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay $35.00.

Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 34 percent of governmental activities revenue for Buckeye Local School District in fiscal year 2025, a two percent increase from fiscal year 2024.

***Governmental Activities***

Total net position of the School District increased $3,104,098 during fiscal year 2025. The governmental expenses of $23,525,869 were offset by program revenues of $2,576,363 and general revenues of $24,053,604. Program revenues supported 10 percent of the total governmental activities expenses. 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 (asset).

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 80 percent of total governmental revenue.

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.

**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 | $11,475,036 | $10,391,690 | $11,818,344 | $10,207,287 |
| Support Services | 10,033,844 | 9,711,201 | 9,754,922 | 8,568,357 |
| Operation of Non-Instructional/Food Services | 1,225,721 | 221,392 | 1,083,745 | 20,005 |
| Extracurricular Activities | 783,490 | 617,445 | 856,360 | 607,100 |
| Interest and Fiscal Charges | 7,778 | 7,778 | 12,369 | 12,369 |
| *Total Expenditures* | $23,525,869 | $20,949,506 | $23,525,740 | $19,415,118 |

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 completely funded by program revenues during the fiscal year. The large changes 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. 78 percent of instruction activities are supported through property taxes alone this year. For all governmental activities, general revenue and prior year cash balances support all expenses as shown in the above table. The community, as a whole, is by far the primary support for Buckeye Local School District students.

### *The District's Funds*

The District's funds (as presented on the balance sheet) reported a combined fund balance of $24,660,937, which is more than last year's total of $23,589,260 by 5 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 | $7,335,578 | $22,055,716 | ($14,720,138) |
| Permanent Improvement | 3,457,949 | 382,988 | 3,074,961 |
| Capital Projects Reserve | 12,902,698 | 26,547 | 12,876,151 |
| Other Governmental | 964,712 | 1,124,009 | (159,297) |
| Total | $24,660,937 | $23,589,260 | $1,071,677 |

As one can see from the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, intergovernmental revenue and property taxes are the largest revenue sources, accounting for nearly 92 percent of total governmental revenue. Clearly, the community is the greatest source of financial support for the students of the Buckeye Local School District.

### *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 $23,928,648, which nearly equaled the final budgeted revenue, varying by $67,215, and was $3,724,116 more than the original budget estimate of $20,204,532. The District continues to use a conservative approach of estimating revenue and these variances are well within reason for an entire year of budgeting.

Total actual expenditures, including other financing uses, were $38,846,275 which was $596,528 less than the final budgeted expenditures of $38,249,747. The variance from the original and final estimate is the result of a conservative, worst case scenario approach used by the District when planning out the original budget.

## Capital Assets and Debt Administration

### *Capital Assets*

At the end of fiscal year 2025, the School District had $2,934,882 invested in land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and textbooks.

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

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

| | 2025 | 2024 |
|---|---|---|
| Land | $402,305 | $402,305 |
| Construction in Progress | 0 | 486,041 |
| Land Improvements | 214,059 | 234,410 |
| Buildings and Improvements | 1,026,897 | 601,500 |
| Furniture, Fixtures and Equipment | 329,628 | 384,375 |
| Vehicles | 961,993 | 541,307 |
| Textbooks | 0 | 0 |
| *Total* | $2,934,882 | $2,649,938 |

All capital assets, except land and construction in progress, are reported net of depreciation. As one can see, the School District had an overall increase in capital assets of $284,944. The increase is due to current year additions of $625,010 exceeding depreciation of $338,825 and net deletions of $1,241. For more information about the School District's capital assets, see Note 9 to the basic financial statements.

### *Long-Term Liabilities*

The School District's made its scheduled financed purchase agreement payment of $15,671 during fiscal year 2025 for the lighting system. The remaining principal balance on the lighting system agreement is $33,762.

During fiscal year 2023 the District entered into a financed purchase agreement for HVAC renovations and improvements throughout various District buildings. The $500,000 agreement was issued at 2.45 percent over 5 years and made a principal payment of $99,430 during fiscal year 2025. The remaining principal balance on the HVAC renovations agreement is $206,229.

For more information about the School District's financed purchase agreements, see Note 19 to the basic financial statements.

**Current Financial Related Activities**

The challenge for Buckeye Local Schools to educate children on a stringent budget is getting even more difficult for our School District. Of the operating funds the School District received in fiscal year 2025, approximately 35 percent were from local property and public utility taxes, 51 percent from the State Foundation funding system, the Homestead/Rollback and tangible personal property reimbursements, and from other local funds.

Despite the funding structure of public education in Ohio, Buckeye Local School District has maintained financial stability through difficult times. As the preceding information shows, the District depends on its property taxpayers as well as state funding, including the tangible personal property tax reimbursements, for its revenue sources. With the passage of a 6.5 mill continuous operating levy in 2005, the District has been able to continue its education programs. However, financially, the future is not without its challenges. Recently passed legislation reduced the tangible personal property tax reimbursements from the State. The total tangible personal property tax reimbursement to the permanent improvement fund has been discontinued. This decline necessitates the use of general fund dollars to maintain buildings and/or purchase equipment. Buckeye will continue to keep a tight watch on funds and will do so with little revenue growth from year to year. Circumstances will necessitate continuing to manage our financial resources in a prudent and conservative manner coupled with a combination of cost reductions and the possibility of additional levies to create revenue growth.

State law fixes the amount of tax revenue, forcing it to remain constant except for increases in valuation due to new construction in the District. Thus, management must diligently plan expenses, staying carefully within the District's five-year forecast.

The District will continue to call upon all of its financial abilities to meet the challenges the future will bring. It is imperative the District's Board and management team continue to carefully and prudently plan in order to provide the resources required to meet the students' needs over the next several years.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizen's, 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 Buckeye Local School District, 3436 Edgewood Drive, Ashtabula, Ohio 44004.

**Buckeye Local School District**
Ashtabula County, Ohio

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

| | Governmental Activities |
|---|---|
| **Assets** | |
| Equity in Pooled Cash and Cash Equivalents | $26,986,908 |
| Accrued Interest Receivable | 25,004 |
| Accounts Receivable | 4,306 |
| Intergovernmental Receivable | 162,012 |
| Property Taxes Receivable | 9,191,018 |
| Inventory Held for Resale | 23,017 |
| Materials and Supplies Inventory | 91,777 |
| Net OPEB Asset | 1,225,986 |
| Nondepreciable Capital Assets | 402,305 |
| Depreciable Capital Assets, Net | 2,532,577 |
| *Total Assets* | 40,644,910 |
| **Deferred Outflows of Resources** | |
| Pension | 3,445,001 |
| Other Postemployment Benefits | 579,292 |
| *Total Deferred Outflows of Resources* | 4,024,293 |
| **Liabilities** | |
| Accounts Payable | 865,174 |
| Accrued Wages and Benefits Payable | 1,677,686 |
| Intergovernmental Payable | 506,000 |
| Accrued Interest Payable | 4,658 |
| Long-Term Liabilities: | |
| Due Within One Year | 824,046 |
| Due In More Than One Year: | |
| Net Pension Liability | 15,484,108 |
| Other Postemployment Benefits Liability | 617,415 |
| Other Amounts Due in More than One Year | 3,379,048 |
| *Total Liabilities* | 23,358,135 |
| **Deferred Inflows of Resources** | |
| Property Taxes | 8,520,155 |
| Pension | 2,153,017 |
| Other Postemployment Benefits | 1,930,149 |
| *Total Deferred Inflows of Resources* | 12,603,321 |
| **Net Position** | |
| Net Investment in Capital Assets | 2,694,891 |
| Restricted for: | |
| Capital Projects | 16,372,086 |
| Other Purposes | 851,159 |
| Unrestricted | (11,210,389) |
| *Total Net Position* | $8,707,747 |

See accompanying notes to the basic financial statements

**Buckeye Local School District**
Ashtabula 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 | $8,590,004 | $365,257 | $66,101 | ($8,158,646) |
| Special | 2,817,953 | 241,235 | 407,753 | (2,168,965) |
| Vocational | 1,259 | 0 | 0 | (1,259) |
| Adult/Continuing | 3,400 | 0 | 3,000 | (400) |
| Other | 62,420 | 0 | 0 | (62,420) |
| Support Services: | | | | |
| Pupils | 1,930,193 | 0 | 36,403 | (1,893,790) |
| Instructional Staff | 655,995 | 0 | 231,816 | (424,179) |
| Board of Education | 20,586 | 0 | 0 | (20,586) |
| Administration | 1,839,883 | 0 | 24,723 | (1,815,160) |
| Fiscal | 559,658 | 0 | 0 | (559,658) |
| Business | 128,128 | 0 | 0 | (128,128) |
| Operation and Maintenance of Plant | 2,234,529 | 5,900 | 0 | (2,228,629) |
| Pupil Transportation | 2,378,222 | 10,410 | 0 | (2,367,812) |
| Central | 286,650 | 0 | 13,391 | (273,259) |
| Operation of Non-Instructional Services | 1,225,721 | 19,896 | 984,433 | (221,392) |
| Extracurricular Activities | 783,490 | 159,030 | 7,015 | (617,445) |
| Interest and Fiscal Charges | 7,778 | 0 | 0 | (7,778) |
| *Total Governmental Activities* | $23,525,869 | $801,728 | $1,774,635 | (20,949,506) |

| | |
|---|---|
| **General Revenues** | |
| Property Taxes Levied for: | |
| General Purposes | 8,480,020 |
| Capital Outlay | 474,439 |
| Grants and Entitlements not Restricted to Specific Programs | 13,914,400 |
| Investment Earnings | 1,168,921 |
| Miscellaneous | 15,824 |
| *Total General Revenues* | 24,053,604 |
| Change in Net Position | 3,104,098 |
| *Net Position Beginning of Year, as Previously Presented* | 8,471,094 |
| Change in Accounting Principle GASB 101 - Compensated Absences | (2,867,445) |
| *Net Position Beginning of Year, as Adjusted* | 5,603,649 |
| *Net Position End of Year* | $8,707,747 |

See accompanying notes to the basic financial statements

**Buckeye Local School District**
Ashtabula County, Ohio

*Balance Sheet*
*Governmental Funds*
*June 30, 2025*

| | General | Permanent Improvement | Capital Projects Reserve | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Equity in Pooled Cash and Cash Equivalents | $9,095,453 | $4,052,572 | $12,902,698 | $936,185 | $26,986,908 |
| Accrued Interest Receivable | 25,004 | 0 | 0 | 0 | 25,004 |
| Accounts Receivable | 3,937 | 0 | 0 | 369 | 4,306 |
| Interfund Receivable | 148 | 0 | 0 | 0 | 148 |
| Intergovernmental Receivable | 8,555 | 0 | 0 | 153,457 | 162,012 |
| Property Taxes Receivable | 8,686,760 | 504,258 | 0 | 0 | 9,191,018 |
| Inventory Held for Resale | 0 | 0 | 0 | 23,017 | 23,017 |
| Materials and Supplies Inventory | 91,026 | 0 | 0 | 751 | 91,777 |
| *Total Assets* | $17,910,883 | $4,556,830 | $12,902,698 | $1,113,779 | $36,484,190 |
| **Liabilities** | | | | | |
| Accounts Payable | $146,819 | $618,136 | $0 | $100,219 | $865,174 |
| Accrued Wages and Benefits Payable | 1,660,926 | 0 | 0 | 16,760 | 1,677,686 |
| Intergovernmental Payable | 474,060 | 0 | 0 | 31,940 | 506,000 |
| Interfund Payable | 0 | 0 | 0 | 148 | 148 |
| *Total Liabilities* | 2,281,805 | 618,136 | 0 | 149,067 | 3,049,008 |
| **Deferred Inflows of Resources** | | | | | |
| Property Taxes | 8,053,178 | 466,977 | 0 | 0 | 8,520,155 |
| Unavailable Revenue - Property Taxes | 240,322 | 13,768 | 0 | 0 | 254,090 |
| *Total Deferred Inflows of Resources* | 8,293,500 | 480,745 | 0 | 0 | 8,774,245 |
| **Fund Balances** | | | | | |
| Nonspendable | 91,026 | 0 | 0 | 751 | 91,777 |
| Restricted | 0 | 3,457,949 | 0 | 963,961 | 4,421,910 |
| Committed | 0 | 0 | 12,902,698 | 0 | 12,902,698 |
| Assigned | 1,470,139 | 0 | 0 | 0 | 1,470,139 |
| Unassigned | 5,774,413 | 0 | 0 | 0 | 5,774,413 |
| *Total Fund Balances* | 7,335,578 | 3,457,949 | 12,902,698 | 964,712 | 24,660,937 |
| *Total Liabilities, Deferred Inflows of Resources and Fund Balances* | $17,910,883 | $4,556,830 | $12,902,698 | $1,113,779 | $36,484,190 |

See accompanying notes to the basic financial statements

**Buckeye Local School District**
Ashtabula County, Ohio

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

| | | |
|---|---|---|
| **Total Governmental Fund Balances** | | $24,660,937 |
| ***Amounts reported for governmental activities in the statement of net position are different because*** | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | 2,934,882 |
| 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 | | 254,090 |
| 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 | 3,445,001 | |
| Deferred Inflows - Pension | (2,153,017) | |
| Net Pension Liability | (15,484,108) | |
| Deferred Outflows - OPEB | 579,292 | |
| Deferred Inflows - OPEB | (1,930,149) | |
| OPEB Asset | 1,225,986 | |
| OPEB Liability | (617,415) | |
| Total | | (14,934,410) |
| In the statement of activities, interest is accrued on outstanding general obligation bonds and notes, whereas in governmental funds, an interest expenditure is reported when due. | | (4,658) |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: | | |
| Compensated Absences | (3,963,103) | |
| Financed Purchase Agreements | (239,991) | |
| Total | | (4,203,094) |
| *Net Position of Governmental Activities* | | $8,707,747 |

See accompanying notes to the basic financial statements

**Buckeye Local School District**
Ashtabula County, Ohio

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

| | General | Permanent Improvement | Capital Projects Reserve | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **Revenues** | | | | | |
| Property Taxes | $8,421,789 | $471,565 | $0 | $0 | $8,893,354 |
| Tuition and Fees | 635,749 | 0 | 0 | 0 | 635,749 |
| Interest | 757,082 | 0 | 402,698 | 9,141 | 1,168,921 |
| Charges for Services | 0 | 0 | 0 | 19,896 | 19,896 |
| Extracurricular Activities | 3,777 | 0 | 0 | 136,406 | 140,183 |
| Rentals | 5,900 | 0 | 0 | 0 | 5,900 |
| Contributions and Donations | 2,364 | 0 | 0 | 10,015 | 12,379 |
| Intergovernmental | 13,868,004 | 46,396 | 0 | 1,762,256 | 15,676,656 |
| Miscellaneous | 15,824 | 0 | 0 | 0 | 15,824 |
| *Total Revenues* | 23,710,489 | 517,961 | 402,698 | 1,937,714 | 26,568,862 |
| **Expenditures** | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | 9,365,165 | 0 | 0 | 101,372 | 9,466,537 |
| Special | 2,583,505 | 0 | 0 | 408,770 | 2,992,275 |
| Vocational | 1,259 | 0 | 0 | 0 | 1,259 |
| Adult/Continuing | 0 | 0 | 0 | 3,400 | 3,400 |
| Other | 62,420 | 0 | 0 | 0 | 62,420 |
| Support Services: | | | | | |
| Pupils | 1,983,386 | 0 | 0 | 10,136 | 1,993,522 |
| Instructional Staff | 524,164 | 0 | 0 | 173,617 | 697,781 |
| Board of Education | 22,344 | 0 | 0 | 0 | 22,344 |
| Administration | 1,935,648 | 549 | 0 | 22,283 | 1,958,480 |
| Fiscal | 602,514 | 8,865 | 0 | 0 | 611,379 |
| Business | 124,748 | 0 | 0 | 0 | 124,748 |
| Operation and Maintenance of Plant | 2,256,438 | 39,538 | 0 | 0 | 2,295,976 |
| Pupil Transportation | 1,574,951 | 611,267 | 0 | 3,078 | 2,189,296 |
| Central | 274,190 | 0 | 0 | 12,325 | 286,515 |
| Operation of Food Services | 0 | 0 | 0 | 1,157,305 | 1,157,305 |
| Extracurricular Activities | 580,051 | 0 | 0 | 171,757 | 751,808 |
| Capital Outlay | 522,371 | 200,168 | 0 | 48,533 | 771,072 |
| Debt Service: | | | | | |
| Principal Retirement | 7,836 | 73,872 | 0 | 33,393 | 115,101 |
| Interest and Fiscal Charges | 1,251 | 8,741 | 0 | 0 | 9,992 |
| *Total Expenditures* | 22,422,241 | 943,000 | 0 | 2,145,969 | 25,511,210 |
| *Excess of Revenues Over (Under) Expenditures* | 1,288,248 | (425,039) | 402,698 | (208,255) | 1,057,652 |
| **Other Financing Sources** | | | | | |
| Proceeds from Sale of Capital Assets | 66 | 0 | 0 | 0 | 66 |
| Proceeds of Financed Purchase Agreement | 0 | 0 | 0 | 13,959 | 13,959 |
| Transfers In | 26,548 | 3,500,000 | 12,500,000 | 35,000 | 16,061,548 |
| Transfers Out | (16,035,000) | 0 | (26,547) | (1) | (16,061,548) |
| *Total Other Financing Sources (Uses)* | (16,008,386) | 3,500,000 | 12,473,453 | 48,958 | 14,025 |
| *Net Change in Fund Balances* | (14,720,138) | 3,074,961 | 12,876,151 | (159,297) | 1,071,677 |
| *Fund Balances Beginning of Year, as Previously Presented* | 22,055,716 | 0 | 0 | 1,533,544 | 23,589,260 |
| *Change Within Financial Reporting Entity* | 0 | 382,988 | 26,547 | (409,535) | 0 |
| *Fund Balances Beginning of Year, as Adjusted* | 22,055,716 | 382,988 | 26,547 | 1,124,009 | 23,589,260 |
| *Fund Balances (Deficit) End of Year* | $7,335,578 | $3,457,949 | $12,902,698 | $964,712 | $24,660,937 |

See accompanying notes to the basic financial statements

**Buckeye Local School District**
Ashtabula 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** | | $1,071,677 |
| ***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/amortization in the current period. | | |
| Capital Outlay | 625,010 | |
| Current Year Depreciation/Amortization | (338,825) | |
| Total | | 286,185 |
| The net effect of various transactions involving capital assets (i.e.; disposals and sales) is a decrease in net position. | | |
| Assets Disposed | (25,028) | |
| Accumulated Depreciation on Disposals | 23,787 | |
| Total | | (1,241) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Property Taxes | | 61,105 |
| Other financing sources in the governmental funds increase long-term liabilities in the statement of net position. | | |
| Issuance of Financed Purchase Agreement | | (13,959) |
| Repayment of financed purchase agreement is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net position. | | 115,101 |
| Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. | | |
| Pension | 1,708,563 | |
| OPEB | 49,631 | |
| Total | | 1,758,194 |
| 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 | (734,302) | |
| OPEB | 394,157 | |
| Total | | (340,145) |
| 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 Financed Purchase Agreement | | 2,214 |
| Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | 164,967 |
| *Change in Net Position of Governmental Activities* | | $3,104,098 |

See accompanying notes to the basic financial statements

**Buckeye Local School District**
Ashtabula 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 |
|---|---|---|---|---|
| | Original | Final | Actual | Positive (Negative) |
| **Revenues** | | | | |
| Property & Other Local Taxes | $8,559,102 | $8,588,157 | $8,588,157 | $0 |
| Tuition and Fees | 470,928 | 617,083 | 617,083 | 0 |
| Interest | 462,861 | 606,512 | 662,844 | 56,332 |
| Extracurricular Activities | 2,882 | 3,777 | 3,777 | 0 |
| Rentals | 4,503 | 5,900 | 5,900 | 0 |
| Intergovernmental | 10,568,600 | 13,848,620 | 13,859,449 | 10,829 |
| Miscellaneous | 5,297 | 6,941 | 6,995 | 54 |
| *Total Revenues* | 20,074,173 | 23,676,990 | 23,744,205 | 67,215 |
| **Expenditures** | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 9,719,632 | 9,530,344 | 9,408,796 | 121,548 |
| Special | 2,599,306 | 2,580,594 | 2,540,614 | 39,980 |
| Vocational | 14,991 | 1,991 | 1,259 | 732 |
| Other | 59,465 | 62,965 | 62,420 | 545 |
| Support Services: | | | | |
| Pupils | 2,105,485 | 1,992,990 | 1,947,521 | 45,469 |
| Instructional Staff | 588,036 | 563,079 | 536,917 | 26,162 |
| Board of Education | 28,407 | 27,408 | 21,733 | 5,675 |
| Administration | 1,870,944 | 1,925,146 | 1,866,060 | 59,086 |
| Fiscal | 688,174 | 662,321 | 620,805 | 41,516 |
| Business | 80,427 | 135,383 | 126,725 | 8,658 |
| Operation and Maintenance of Plant | 2,296,578 | 2,467,598 | 2,299,436 | 168,162 |
| Pupil Transportation | 2,130,222 | 1,618,047 | 1,583,166 | 34,881 |
| Central | 305,672 | 278,025 | 262,739 | 15,286 |
| Extracurricular Activities | 666,051 | 618,988 | 602,208 | 16,780 |
| Capital Outlay | 1,213,445 | 933,904 | 930,728 | 3,176 |
| *Total Expenditures* | 24,366,835 | 23,398,783 | 22,811,127 | 587,656 |
| *Excess of Revenues Over (Under) Expenditures* | (4,292,662) | 278,207 | 933,078 | 654,871 |
| **Other Financing Sources (Uses)** | | | | |
| Proceeds from Sale of Capital Assets | 0 | 66 | 66 | 0 |
| Refund of Prior Year Expenditure | 0 | 27,470 | 27,470 | 0 |
| Advances In | 130,359 | 130,359 | 130,359 | 0 |
| Advances Out | (135,573) | (9,020) | (148) | 8,872 |
| Transfers In | 0 | 26,548 | 26,548 | 0 |
| Transfers Out | (10,010,000) | (16,035,000) | (16,035,000) | 0 |
| *Total Other Financing Sources (Uses)* | (10,015,214) | (15,859,577) | (15,850,705) | 8,872 |
| *Net Change in Fund Balance* | (14,307,876) | (15,581,370) | (14,917,627) | 663,743 |
| *Fund Balance Beginning of Year* | 22,846,494 | 22,846,494 | 22,846,494 | 0 |
| Prior Year Encumbrances Appropriated | 666,184 | 666,184 | 666,184 | 0 |
| *Fund Balance End of Year* | $9,204,802 | $7,931,308 | $8,595,051 | $663,743 |

See accompanying notes to the basic financial statements

## Note 1 – Description of the School District and Reporting Entity

The District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a local district as defined by Section 3311 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District.

Average daily membership (ADM) as of July 1, 2025 was 1,585. The District employed 121 certified employees and 75 non-certificated employees. The District is supervised by the Ashtabula County Educational Service Center, a separate entity.

The District provides regular, vocational and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisition and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* 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". The financial statements include all organizations, activities and functions for which the District is financially accountable. This report includes all activities considered by management to be part of the District by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

Section 2100 indicates that the reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity.

It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.

A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Management believes the financial statements included in this report represent all of the funds of the District over which the District is financially accountable.

## Note 2 – Summary of Significant Accounting Policies

The financial statements of the Buckeye Local School District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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. Basis of Presentation*

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

***Government-wide Financial Statements*** The statement of net position and statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

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

### *B. Fund Accounting*

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The School District has no proprietary or fiduciary funds.

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

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

***Permanent Improvement Capital Projects Fund*** - The Permanent Improvement Capital Projects Fund accounts for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705, Ohio Revised Code.

***Capital Projects Reserve Capital Projects Fund*** - The Capital Projects Reserve Capital Projects accounts for transactions related to the acquiring, constructing, or improving of such permanent improvements related to future District projects.

The other governmental funds of the District account for grants and other resources, and capital projects of the District whose uses are restricted, committed or assigned to a particular purpose.

***Fiduciary Fund Types*** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. The School District has no private purpose trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District has no custodial funds.

### *C. Measurement Focus*

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

***Fund Financial Statements*** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (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.

### *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 are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statement 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 12 and 13.

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 2026 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. 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 are reported on the government-wide statement of net position (see Notes 12 and 13).

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

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

### *E. Budget and Budgetary Accounting*

All governmental fund types are subject to annual expenditure budgets. The Board follows the procedures outlined below in establishing the expenditure budget data reported in the basic financial statements:

***Tax Budget*** A tax budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by January 20th of each year, for the fiscal year commencing the following July 1st. The Board of Education normally adopts the Tax Budget at its regular board meeting in January. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

***Estimated Resources*** The County Budget Commission certifies its actions to the District by March 1st. As part of this certification, the District receives the Official Certificate of Estimated Resources, which states the projected receipts of each fund. During the month of July, this certificate is amended to include any unencumbered balances from the preceding fiscal year.

***Appropriations*** An annual appropriation measure must be passed by the Board of Education by October 1st of each year for the period July 1st to June 30th. Unencumbered appropriations lapse at year-end and the encumbered balance is carried forward to the succeeding fiscal year and need not be re-appropriated. The Board of Education usually adopts temporary appropriations at its regular board meeting in June. The Annual Appropriation Resolution is usually adopted at the September regular board meeting. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources and expenditures may not exceed appropriations in any fund at the object level.

***Encumbrances*** As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded as the equivalent of expenditures on the budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

***Lapsing of Appropriations*** At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not re-appropriated.

### *F. Cash and Investments*

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

STAR Ohio (the State Treasury Asset Reserve of Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School 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 the fiscal year 2025, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of $100 million or more. STAR Ohio reserves the right to limit the transactions to $100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2025 amounted to $757,082 none of which was assigned from other funds.

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

### *G. Inventory*

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

### *H. Prepaid Items*

Payments made to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

### *I. Capital Assets*

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

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

All reported capital assets, except land and construction in progress, are depreciated/amortized. 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 | 20 years |
| Buildings and Improvements | 20 - 50 years |
| Furniture | 20 years |
| Equipment | 5 - 20 years |
| Fixtures | 15 years |
| Vehicles | 8 - 10 years |
| Textbooks | 5 - 10 years |
| Intangible Right to Use Lease | 5 - 10 years |

### *J. 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 columns of the statement of net position.

### *K. Internal Activity*

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

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

### *L. 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.

### *M. Accrued Liabilities and Long-term Obligations*

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, 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. Leases and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

### *N. 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.
>
> ***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.

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

### *P. 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, and pension 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 systems. 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 systems report investments at fair value.

### *Q. 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.

## 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 aims to improve transparency by providing users with more information about risks that could significantly affect the District's financial stability or ability to provide services. The implementation of GASB Statement No. 102 could require certain note disclosure but 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.

| | Governmental Activities |
|---|---|
| Net Position at 6/30/24, as Previously Reported | $8,471,094 |
| Implementation of GASB Statement No. 101 | (2,867,445) |
| Adjusted Net Position at 6/30/24 | $5,603,649 |

**Note 4 – Budgetary Basis of Accounting**

While the School 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 basis) as opposed to when susceptible to accrual (GAAP basis).

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

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

4. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

5. Budgetary revenues and expenditures of the uniform school supplies fund and public school support fund are reclassified to the general fund for GAAP reporting.

The following tables summarize the adjustments necessary to reconcile the GAAP basis Statement to the budgetary basis Statement for the general fund:

| Net Change in Fund Balance | |
|---|---|
| GAAP Basis | ($14,720,138) |
| Net Adjustment for Revenue Accruals | 62,470 |
| Advances In | 130,359 |
| Net Adjustment for Expenditure Accruals | (70,065) |
| Net Adjustment for Funds Budgeted as Special Revenue | (1,284) |
| Advances Out | (148) |
| Adjustment for Encumbrances | (318,821) |
| Budget Basis | ($14,917,627) |

**Note 5 – Deposits and Investments**

Monies held by the School District are classified by State statute into three categories. Active deposits are public deposits determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School District Treasury, in commercial accounts payable or withdrawals on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

Interim deposits are deposits of interim monies. Interim monies are those monies that 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 School 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 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, the 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.

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.

**Deposits**

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At June 30th, the carrying amount of all School District deposits was $6,493,155 while $1,760,527 of the School District's bank balance of $6,495,975 was insured and collateralized. The School District's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

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

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

**Investments**

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

| | Fair Value | Maturity |
|---|---|---|
| STAR Ohio | $18,451,053 | 1 Year or less |
| Commercial Paper | 254,786 | 1 Year or less |
| FHLMC Bonds/Notes | 250,024 | 1 Year or less |
| FHLB Bonds/Notes | 245,984 | 1 Year or less |
| US Treasury Notes | 1,291,906 | 3 to 5 Years |
| Total Portfolio | $20,493,753 | |

The weighted average of maturities is one 0.27 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 United States Treasury Notes, commercial paper, Federal bonds and notes had a credit risk rating of AAA by Standard and Poor's. 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 investments, 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 | $18,451,053 | 90.03% |
| Commercial Paper | 254,786 | 1.24% |
| U.S. Treasury Notes | 1,140,291 | 5.56% |
| FHLB Bonds/Notes | 245,984 | 1.20% |
| FFCB Bonds/Notes | 151,615 | 0.74% |
| FHLMC Bonds/Notes | 250,024 | 1.22% |
| Total Portfolio | $20,493,753 | 100.00% |

**Reconciliation of Cash and Cash Equivalents to the Statement of Net Position**

The following is a reconciliation of cash and cash equivalents as reported in the footnote above to cash and cash equivalents as reported on the statement of net position as of June 30, 2025:

| Cash and Cash Equivalents per Note Disclosure: | |
|---|---|
| Carrying amount of deposits | $6,493,155 |
| Investments | 20,493,753 |
| Total | $26,986,908 |

| Cash and Cash Equivalents per Statement of Net Position: | |
|---|---|
| Governmental Activities | $26,986,908 |
| Private-purpose trust funds | 0 |
| Custodial funds | 0 |
| Total | $26,986,908 |

**Note 6 – 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 School District. Real property tax revenue received in calendar year 2025 represent collections of calendar year 2024 taxes. Real property taxes received in calendar year 2025 were levied after April 1, 2024, on the assessed value listed as of January 1, 2024, 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 year 2025 represents collections of calendar year 2024 taxes. Public utility real and tangible personal property taxes received in calendar year 2024 became a lien December 31, 2023, were levied after April 1, 2024 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 School District receives property taxes from Ashtabula County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2025, are available to finance fiscal year 2025 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 $393,260 in the general fund and $23,513 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2024, was $182,091 in the general fund and $10,894 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 reported as deferred inflows of resources – unavailable revenue.

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 |
| Real Estate | $292,386,950 | 84.8% | $291,555,620 | 83.2% |
| Public Utility Personal | 52,459,890 | 15.2% | 58,746,770 | 16.8% |
| | $344,846,840 | 100.0% | $350,302,390 | 100.0% |
| Tax Rate per $1,000 of assessed valuation | | $ 45.31 | | $ 45.31 |

## Note 7 – Receivables

Receivables at June 30, 2025 consisted of accrued interest, accounts, taxes and intergovernmental grants and entitlements. 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 guarantee of Federal funds.

A summary of intergovernmental receivables follows:

| | |
|---|---|
| General Fund - Medicaid Reimbursements | $8,555 |
| Federal Lunch & Breakfast Subsidies | 138,027 |
| Title I Grant | 4,962 |
| Drug Free Schools Grant | 796 |
| Improving Teacher Quality Grant | 9,672 |
| Total Intergovernmental Receivable | $162,012 |

**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 | Permanent Improvement | Capital Projects Reserve | Nonmajor Governmental | Total |
|---|---|---|---|---|---|
| ***Nonspendable*** | | | | | |
| Inventory | $91,026 | $0 | $0 | $751 | $91,777 |
| ***Restricted for*** | | | | | |
| Food Service Operations | 0 | 0 | 0 | 689,242 | 689,242 |
| College Scholarships | 0 | 0 | 0 | 169,493 | 169,493 |
| Student Activities | 0 | 0 | 0 | 27,887 | 27,887 |
| Extracurricular Activities | 0 | 0 | 0 | 56,369 | 56,369 |
| Capital Improvements | 0 | 3,457,949 | 0 | 0 | 3,457,949 |
| Other Purposes | 0 | 0 | 0 | 20,970 | 20,970 |
| *Total Restricted* | 0 | 3,457,949 | 0 | 963,961 | 4,421,910 |
| ***Committed to*** | | | | | |
| Capital Improvements | 0 | 0 | 12,902,698 | 0 | 12,902,698 |
| ***Assigned to*** | | | | | |
| Other Purposes | 39,776 | 0 | 0 | 0 | 39,776 |
| Encumbrances | 172,002 | 0 | 0 | 0 | 172,002 |
| Subsequent Year Appropriations | 1,258,361 | 0 | 0 | 0 | 1,258,361 |
| *Total Assigned* | 1,470,139 | 0 | 0 | 0 | 1,470,139 |
| ***Unassigned*** | 5,774,413 | 0 | 0 | 0 | 5,774,413 |
| *Total Fund Balances* | $7,335,578 | $3,457,949 | $12,902,698 | $964,712 | $24,660,937 |

## Note 9 – Capital Assets

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

| | Balance 6/30/2024 | Additions | Deletions | Balance 6/30/2025 |
|---|---|---|---|---|
| ***Capital Assets, not being depreciated:*** | | | | |
| Land | $402,305 | $0 | $0 | $402,305 |
| Construction in Progress | 486,041 | 13,959 | (500,000) | 0 |
| *Total Capital Assets, not being depreciated:* | 888,346 | 13,959 | (500,000) | 402,305 |
| ***Capital Assets, being depreciated:*** | | | | |
| Land Improvements | 1,513,156 | 0 | 0 | 1,513,156 |
| Buildings and Improvements | 6,966,471 | 500,000 | 0 | 7,466,471 |
| Furniture, Equipment and Fixtures | 4,325,422 | 8,339 | (25,028) | 4,308,733 |
| Vehicles | 2,171,246 | 602,712 | 0 | 2,773,958 |
| Textbooks | 2,088,314 | 0 | 0 | 2,088,314 |
| ***Total Capital Assets, being depreciated*** | 17,064,609 | 1,111,051 | (25,028) | 18,150,632 |
| Less Accumulated Depreciation: | | | | |
| Land Improvements | (1,278,746) | (20,351) | 0 | (1,299,097) |
| Building and Improvements | (6,364,971) | (74,603) | 0 | (6,439,574) |
| Furniture, Equipment and Fixtures | (3,941,047) | (61,845) | 23,787 | (3,979,105) |
| Vehicles | (1,629,939) | (182,026) | 0 | (1,811,965) |
| Textbooks | (2,088,314) | 0 | 0 | (2,088,314) |
| *Total Accumulated Depreciation* | (15,303,017) | (338,825) | 23,787 | (15,618,055) |
| *Total Capital Assets being depreciated, net* | 1,761,592 | 772,226 | (1,241) | 2,532,577 |
| Governmental Activities Capital Assets, Net | $2,649,938 | $786,185 | ($501,241) | $2,934,882 |

Depreciation expense was charged to governmental functions as follows:

| | |
|---|---|
| Instruction: | |
| Regular | $47,107 |
| Support Services: | |
| Pupil | 2,880 |
| Instructional Staff | 6,740 |
| Administration | 419 |
| Operation and Maintenance of Plant | 45,108 |
| Pupil Transportation | 182,026 |
| Operation of Non-Instructional Services | 11,575 |
| Extracurricular Activities | 42,970 |
| Total Depreciation Expense | $338,825 |

## Note 10 – Interfund Activity

### *A -Interfund Receivable/Payable*

The interfund receivable/payable consisted of the following at June 30, 2025, as reported on the fund financial statements:

| | Interfund Receivable | Interfund Payable |
|---|---|---|
| Major Governmental Fund: | | |
| General | $148 | $0 |
| Non-major Governmental Funds: | | |
| Mental Health & Recovery Fund | 0 | 148 |
| Total | $148 | $148 |

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. This interfund balance will be repaid once the anticipated revenues are received, which is expected to be within one year.

### *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 Funds: | | |
| General | $26,548 | $16,035,000 |
| Permanent Improvement | 3,500,000 | 0 |
| Capital Projects Reserve | 12,500,000 | 26,547 |
| Non-major Governmental Funds: | | |
| Special Trust | 0 | 1 |
| District Managed Student Activity | 35,000 | 0 |
| Total | $16,061,548 | $16,061,548 |

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 11 – Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Only administrative and support personnel who are under a full year contract (11 and 12 month) are eligible for vacation time. The number of days granted are determined by an employees' length of service with the District.

Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Any vacation time which is unused as of the employee's anniversary date is expired and not available for use in a subsequent year unless approved by the superintendent. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. The classified personnel accumulate vacation based on the following schedule:

| Years of Service | Vacation Weeks |
|---|---|
| 1-8 | 2 |
| 9-13 | 3 |
| 14-beyond | 4 |

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave shall accumulate during active employment on a continuous year-to-year basis; certified employees, 295 days and classified employees, 285 days.

For all employees, retirement severance is paid to each employee retiring from the District at a per diem rate of the annual salary at the time of retirement if the employee has been employed by the District for a minimum of ten consecutive years at the time of retirement for certified personnel and a minimum of five consecutive years for classified personnel. Any employee receiving retirement severance pay shall be entitled to a dollar amount equivalent to one-fourth of all accumulated sick leave credited to that employee up to 75 days for classified employees and for certified employees there is no max.

## Note 12 – Defined Benefit Pension Plans

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

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

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

The net pension/OPEB liability (asset) 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 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 13 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 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 $395,940 for fiscal year 2025. Of this amount $201,720 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.

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 $1,312,623 for fiscal year 2025. Of this amount $233,352 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:

| | SERS | STRS | Total |
|---|---|---|---|
| Proportion of the Net Pension Liability Prior Measurement Date | 0.06407460% | 0.06325552% | |
| Proportion of the Net Pension Liability Current Measurement Date | 0.05957180% | 0.06463415% | |
| Change in Proportionate Share | -0.00450280% | 0.00137863% | |
| Proportionate Share of the Net Pension Liability | $3,047,453 | $12,436,655 | $15,484,108 |
| Pension Expense | $157,227 | $577,075 | $734,302 |

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 | $116,348 | $783,185 | $899,533 |
| Change of Assumptions | 27,262 | 573,151 | 600,413 |
| Change in Proportionate Share | 0 | 236,492 | 236,492 |
| District contributions subsequent to the measurement date | 395,940 | 1,312,623 | 1,708,563 |
| Total Deferred Outflows of Resources | $539,550 | $2,905,451 | $3,445,001 |
| **Deferred Inflows of Resources** | | | |
| Differences between expected and actual experience | $0 | $6,811 | $6,811 |
| Net difference between projected and actual earnings on pension plan investments | 190,618 | 1,069,300 | 1,259,918 |
| Change of Assumptions | 0 | 431,416 | 431,416 |
| Change in Proportionate Share | 312,869 | 142,003 | 454,872 |
| Total Deferred Inflows of Resources | $503,487 | $1,649,530 | $2,153,017 |

$1,708,563 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 | ($292,080) | ($725,838) | ($1,017,918) |
| 2027 | 68,950 | 1,158,951 | 1,227,901 |
| 2028 | (80,694) | (298,223) | (378,917) |
| 2029 | (56,053) | (191,592) | (247,645) |
| Total | ($359,877) | ($56,702) | ($416,579) |

***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.

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 | $4,662,181 | $3,047,453 | $1,687,939 |

***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:

| | |
|---|---|
| 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.

***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 | $20,062,504 | $12,436,655 | $5,986,497 |

***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 13 – Defined Benefit Other Postemployment Benefit (OPEB) Plans

See note 12 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.

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 $49,631.

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 $49,631 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:

| | SERS | STRS | Total |
|---|---|---|---|
| Proportion of the Net OPEB Liability (Asset) Prior Measurement Date | 0.06595730% | 0.06325552% | |
| Proportion of the Net OPEB Liability (Asset) Current Measurement Date | 0.06062030% | 0.06463415% | |
| Change in Proportionate Share | -0.00533700% | 0.00137863% | |
| Proportionate Share of the Net OPEB Liability (Asset) | $617,415 | ($1,225,986) | ($608,571) |
| OPEB Expense | ($122,021) | ($272,136) | ($394,157) |

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 | $53,296 | $53,296 |
| Net difference between projected and actual earnings on OPEB plan investments | 3,014 | 0 | 3,014 |
| Change of Assumptions | 264,993 | 150,902 | 415,895 |
| Change in Proportionate Share | 54,210 | 3,246 | 57,456 |
| District contributions subsequent to the measurement date | 49,631 | 0 | 49,631 |
| Total Deferred Outflows of Resources | $371,848 | $207,444 | $579,292 |
| **Deferred Inflows of Resources** | | | |
| Differences between expected and actual experience | $665,731 | $132,118 | $797,849 |
| Net difference between projected and actual earnings on pension plan investments | 0 | 52,643 | 52,643 |
| Change of Assumptions | 283,618 | 552,912 | 836,530 |
| Change in Proportionate Share | 233,845 | 9,282 | 243,127 |
| Total Deferred Inflows of Resources | $1,183,194 | $746,955 | $1,930,149 |

$49,631 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:

| | SERS | STRS | Total |
|---|---|---|---|
| **Fiscal Year Ending June 30:** | | | |
| 2026 | ($192,023) | ($188,758) | ($380,781) |
| 2027 | (138,268) | (83,614) | (221,882) |
| 2028 | (110,083) | (106,388) | (216,471) |
| 2029 | (102,108) | (98,919) | (201,027) |
| 2030 | (101,202) | (80,214) | (181,416) |
| Thereafter | (217,293) | 18,382 | (198,911) |
| Total | ($860,977) | ($539,511) | ($1,400,488) |

***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 |

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 12 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.

| | 1% Decrease (3.88%) | Current Discount Rate (4.88%) | 1% Increase (5.88%) |
|---|---|---|---|
| District's proportionate share of the net OPEB liability (asset) | $823,301 | $617,415 | $453,811 |

| | 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) | $417,349 | $617,415 | $880,385 |

***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: | |
| *Medical* | |
| Pre-Medicare | 7.50 percent initial, 3.94 percent ultimate |
| Medicare | (112.22) percent initial, 3.94 percent ultimate |
| *Prescription Drug* | |
| 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.

***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 | $996,808 | $1,225,986 | $1,425,422 |

| | 1% Decrease | Current Trend Rate | 1% Increase |
|---|---|---|---|
| District's proportionate share of the net OPEB asset | $1,438,893 | $1,225,986 | $969,938 |

***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 14 – Risk Management

### *A. Property and Liability*

The School District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The School District has addressed these various types of risk by purchasing a comprehensive insurance policy through various commercial carriers.

Professional liability insurance is maintained in the amount of $1,000,000 for single occurrence and $3,000,000 in the aggregate.

The School District maintains fleet insurance in the amount of $15,000,000 for bodily injury and/or property damage liability for any one accident or loss with no aggregate limit plus an additional $15,000,000 excess liability per occurrence and aggregate limit. In addition, the fleet policy includes $1,000,000 in uninsured and underinsured motorists' coverage per occurrence. The School District maintains replacement cost insurance on buildings and contents in the amount of $96,234,933.

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

***B. Employee Medical Benefits***

The School District has contracted with the Ashtabula County Schools Council of Governments to provide employee medical/surgical, prescription drug, dental and vision benefits. The Ashtabula County Schools Council of Governments is organized under Chapter 167 of the Ohio Revised Code and is comprised of seven Ashtabula County school districts. Rates are set by the Ashtabula County Schools Council of Governments board of directors. The School District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow. Ashtabula County Schools Council of Governments is a separate and independent entity governed by its own set of by-laws and constitution. All assets and liabilities are the responsibility of the Council of Governments. The program operates as a full indemnity program with no financial liability (other than monthly premiums) or risk to the School District. The School District is not liable nor receives a cash balance of past claims upon departure from the pool.

***C. Workers' Compensation***

The District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), and insurance purchasing pool, which was established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School business Officials Workers' Compensation Group Rating Program (the Program) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool. The Executive Director of the OASBO, or his designee, serves as coordinator of the Program. Each year, the participating school districts pay an enrollment fee to the Program to cover the costs of administering the Program.

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm Comp Management Inc., provides administrative, cost control and actuarial services to the GRP.

## Note 15 – Contingencies

### *A. Grants*

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

### *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.

### *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. As of the date of this report, all DEW adjustments for fiscal year 2025 have been finalized.

## Note 16 – Long-Term Obligations

A summary of changes in long-term obligations for the year ended June 30, 2025, are as follows:

| | (Restated) Outstanding 6/30/2024 | Additions | Reductions | Outstanding 6/30/2025 | Amounts Due in One Year |
|---|---|---|---|---|---|
| **Governmental Activities** | | | | | |
| Financed Purchases | $341,133 | $13,959 | ($115,101) | $239,991 | $118,330 |
| Compensated Absences | 4,128,070 | 0 | (164,967) | 3,963,103 | 705,716 |
| *Total Before Net Pension & OPEB Liability* | 4,469,203 | 13,959 | (280,068) | 4,203,094 | 824,046 |
| Net Pension Liability: | | | | | |
| STRS | 13,622,037 | 0 | (1,185,382) | 12,436,655 | 0 |
| SERS | 3,540,452 | 0 | (492,999) | 3,047,453 | 0 |
| *Total Net Pension Liability* | 17,162,489 | 0 | (1,678,381) | 15,484,108 | 0 |
| Net OPEB Liability: | | | | | |
| SERS | 1,086,610 | 0 | (469,195) | 617,415 | 0 |
| Total Long-Term Liabilities | $22,718,302 | $13,959 | ($2,427,644) | $20,304,617 | $824,046 |

See Note 19 for information related to the finance purchase obligations.

Compensated absences will be paid from the general fund and the food service and Title I special revenue funds.

There is no repayment schedule for the net pension liability or the 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 Note 12 and 13.

The School District's overall legal debt margin was $31,527,215 with an unvoted debt margin of $350,302 at June 30, 2025.

## Note 17 – Jointly Governed Organizations and Related Organizations

***Northeast Ohio Management Information Network (NEOMIN)*** NEOMIN is a jointly governed organization among various school districts in Trumbull and Ashtabula Counties. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the districts support NEOMIN based upon a per pupil charge.

Superintendents of the participating school districts are eligible to be voting members of the Governing Board which consists of ten voting members: the Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County school districts, three superintendents from Trumbull County school districts, and one treasurer from each of the aforementioned counties (non-voting members who must be employed by a participating school district, the fiscal agent, or NEOMIN). The degree of control exercised by any participating school district is limited to its representation on the Governing Board. A copy of NEOMIN's financial statements may be obtained from the Trumbull County Educational Service Center, 6000 Youngstown-Warren Road, Niles, Ohio 44446.

***Kingsville Public Library*** The Kingsville Public Library (the Library) is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Board of Education. The Board of Trustees possesses it own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on the behalf of the Library, its role is limited to a ministerial function. The determination to request approval of tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Kingsville Public Library, Patty Fisher, Fiscal Officer, at 6006 Academy Street, Kingsville, Ohio 44048.

***State Support Team (SST) – Region 5*** The District participates in the State Support Team (SST), an Educational Regional Service System (ERSS). The mission of the SST is to provide regional districts with leadership, technical assistance and high quality professional development in the service areas of school improvement, literacy, early learning and school readiness and special education compliance. The 16 State Support Teams are responsible for the regional delivery of school improvement, literacy, special education compliance, and early learning and school readiness services to districts using a differentiated technical assistance structure of support based upon need. The teams work through the Office of Exceptional Children, Office of Literacy, Office of Early Learning and School Readiness and the Office of Field Relations by providing technical assistance and professional development. The SSTs include staff and services formerly provided by the Special Education Regional Resource Centers (SERRCs) and the Regional School Improvement Teams (RSITs).

House Bill 115 (HB 115) establishes the Educational Regional Service System (ERSS) and requires the creation of a coordinated, integrated and aligned system to support state and school districts efforts to improve school effectiveness and student achievement. It is the intent of the general assembly that the educational regional service system would reduce the unnecessary duplication of programs and services and provide for a more streamlined and efficient delivery of education services without reducing the availability of the services needed by school districts and schools. Financial information can be obtained by contacting the Treasurer at the Mahoning County Educational Service Center, 7320 North Palmyra Road, Canfield, Ohio 44406.

***Ashtabula County Technical & Career Center*** The Ashtabula County Career & Technical Center (A-Tech) is a distinct political subdivision of the State of Ohio which provides vocational education to students. The A-Tech is operated under the direction of a Board consisting of one representative from each of the participating School Districts' elected boards. The degree of control exercised by the School District is limited to its representation on the Board. The Board is its own budgeting and taxing authority. The School District did not make any contributions in fiscal year 2025. Financial information can be obtained from Lindsey Elly, Treasurer at Ashtabula County Technical & Career Center, 1565 State Route 167, Jefferson, Ohio 44047.

## 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 year-end set-aside amounts for capital acquisitions. Disclosure of this information is required by State statute.

| | Capital Improvements |
|---|---|
| Set-Aside Restricted Balance as of June 30, 2024 | $0 |
| Current Year Set-Aside Requirement | 406,084 |
| Qualifying Disbursements | 0 |
| Current Year Offsets | (3,912,941) |
| Total | ($3,506,857) |
| Set-Aside Balance Carried Forward to Future Fiscal Years | $0 |
| Cash balance as of June 30, 2025 | $0 |

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

## Note 19 – Financed Purchases Payable from Direct Borrowing

In a prior fiscal year, the School District entered into a financed purchase agreement for the purchase of a lighting system. This obligation meets the criteria of a financed purchase agreement as defined by Governmental Accounting Standards Board Statement Number 87, "Leases" and has been recorded on the government-wide statements. The lighting system has been capitalized in the amount of $139,900, the present value of the minimum payments at the inception of the agreement.

In fiscal year 2023, the School District entered into a financed purchase agreement for HVAC improvements throughout District buildings. This obligation meets the criteria of a financed purchase agreement as defined by Governmental Accounting Standards Board Statement Number 87, "Leases" and has been recorded on the government-wide statements. The improvements have been capitalized in the amount of $500,000 as of June 30, 2025.

The assets acquired through financed purchases are as follows:

| *Asset:* | Governmental Activities |
|---|---|
| Building Improvements | $639,900 |
| Less: Accumulated Depreciation | (196,335) |
| Total Book Value as of June 30, 2025 | $443,565 |

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

| Fiscal Year Ending June 30, | |
|---|---|
| 2026 | $125,093 |
| 2027 | 125,093 |
| Total Minimum Financed Purchase Payments | 250,186 |
| Less: Amount Representing Interest | (10,195) |
| Present Value of Minimum Financed Purchase | $239,991 |

## Note 20 – Public Entity Risk Pools

### *A. Ohio Association of School Business Officials Workers' Compensation Group Rating Program*

The District participates in a group-rating program for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers' Compensation Group Rating Program (the Program) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool. The Executive Director of the OASBO, or his designee, serves as coordinator of the Program. Each year, the participating school districts pay an enrollment fee to the Program to cover the costs of administering the Program.

***B. Ashtabula County Schools Council of Governments***

The District has contracted with the Ashtabula County Schools Council of Governments ("the Council") to provide employee medical/surgical, prescription drug, dental and vision benefits. The Council is organized under Chapter 167 of the Ohio Revised Code and is comprised of seven Ashtabula County School districts. Rates are set by the Council's board of directors. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of claims flow. The Council is a separate and independent entity governed by its own set of by-laws and constitution. All assets and liabilities are the responsibility of the Council. The program is operated as a full indemnity program with no financial liability (other than monthly premiums) or risk to the District. The Council shall pay the run out claims for a withdrawing member. Any member which withdraws from the Council pursuant to the Council Agreement shall have no claim to the Council's assets.

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**Buckeye Local School District**
Ashtabula 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*

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| School District's Proportion of the Net Pension Liability | 0.59571800% | 0.06407460% | 0.06974710% | 0.06816430% | 0.06461570% | 0.06661270% | 0.06664880% | 0.06702170% | 0.07083730% | 0.07074520% |
| School District's Proportionate Share of the Net Pension Liability | $3,047,453 | $3,540,452 | $3,772,466 | $2,515,065 | $4,273,819 | $3,985,555 | $3,817,101 | $4,004,399 | $5,184,637 | $4,036,790 |
| School District's Employee Payroll | $2,496,550 | $2,605,207 | $2,609,929 | $2,285,179 | $2,265,286 | $2,263,207 | $2,067,714 | $2,044,172 | $1,977,000 | $3,254,484 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Employee Payroll | 122.07% | 135.90% | 144.54% | 110.06% | 188.67% | 176.10% | 184.60% | 195.89% | 262.25% | 124.04% |
| 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.

The accompanying notes are an integral part of the required supplementary information.

**Buckeye Local School District**
Ashtabula 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*

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| School District's Proportion of the Net Pension Liability | 0.06463415% | 0.06325552% | 0.06403207% | 0.06380663% | 0.06486126% | 0.06621707% | 0.06655323% | 0.06715882% | 0.06973746% | 0.07169819% |
| School District's Proportionate Share of the Net Pension Liability | $12,436,655 | $13,622,037 | $14,234,410 | $8,158,251 | $15,694,117 | $14,643,507 | $14,633,561 | $15,953,722 | $23,343,230 | $19,815,283 |
| School District's Employee Payroll | $8,970,900 | $8,543,821 | $8,324,471 | $7,873,321 | $7,827,743 | $7,774,164 | $7,583,479 | $7,460,535 | $7,539,600 | $7,860,079 |
| 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% | 188.36% | 192.97% | 213.84% | 309.61% | 252.10% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 82.50% | 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.

The accompanying notes are an integral part of the required supplementary information.

**Buckeye Local School District**
Ashtabula County, Ohio

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

| | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Contractually Required Pension Contribution | $395,940 | $349,517 | $364,729 | $365,390 |
| Pension Contributions in Relation to the Contractually Required Contribution | ($395,940) | ($349,517) | ($364,729) | ($365,390) |
| Contribution Deficiency (Excess) | $0 | $0 | $0 | $0 |
| School District Employee Payroll | $2,828,143 | $2,496,550 | $2,605,207 | $2,609,929 |
| Contributions as a Percentage of Employee Payroll | 14.00% | 14.00% | 14.00% | 14.00% |

The accompanying notes are an integral part of the required supplementary information.

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| $319,925 | $317,140 | $305,533 | $289,480 | $286,184 | $276,780 |
| ($319,925) | ($317,140) | ($305,533) | ($289,480) | ($286,184) | ($276,780) |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $2,285,179 | $2,265,286 | $2,263,207 | $2,067,714 | $2,044,172 | $1,977,000 |
| 14.00% | 14.00% | 13.50% | 13.50% | 14.00% | 14.00% |

**Buckeye Local School District**
Ashtabula County, Ohio

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

| | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Contractually Required Pension Contribution | $1,312,623 | $1,255,926 | $1,196,135 | $1,165,426 |
| Pension Contributions in Relation to the Contractually Required Contribution | ($1,312,623) | ($1,255,926) | ($1,196,135) | ($1,165,426) |
| Contribution Deficiency (Excess) | $0 | $0 | $0 | $0 |
| School District Employee Payroll | $9,375,879 | $8,970,900 | $8,543,821 | $8,324,471 |
| Contributions as a Percentage of Employee Payroll | 14.00% | 14.00% | 14.00% | 14.00% |

The accompanying notes are an integral part of the required supplementary information.

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| $1,102,265 | $1,095,884 | $1,088,383 | $1,061,687 | $1,044,475 | $1,055,544 |
| ($1,102,265) | ($1,095,884) | ($1,088,383) | ($1,061,687) | ($1,044,475) | ($1,055,544) |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $7,873,321 | $7,827,743 | $7,774,164 | $7,583,479 | $7,460,535 | $7,539,600 |
| 14.00% | 14.00% | 14.00% | 14.00% | 14.00% | 14.00% |

**Buckeye Local School District**
Ashtabula 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)*

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|
| School District's Proportion of the Net OPEB Liability | 0.06062030% | 0.06595730% | 0.07131100% | 0.07020400% | 0.06715240% | 0.06833070% | 0.06762960% | 0.06811540% | 0.06811540% |
| School District's Proportionate Share of the Net OPEB Liability | $617,415 | $1,086,610 | $1,001,496 | $1,328,668 | $1,459,441 | $1,718,373 | $1,876,228 | $1,828,038 | $1,941,541 |
| School District's Employee Payroll | $2,496,550 | $2,605,207 | $2,609,929 | $2,285,179 | $2,265,286 | $2,263,207 | $2,067,714 | $2,044,172 | $1,977,000 |
| School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Employee Payroll | 24.73% | 41.71% | 38.37% | 58.14% | 64.43% | 75.93% | 90.74% | 89.43% | 98.21% |
| 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 2016 is not available.

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

The accompanying notes are an integral part of the required supplementary information.

**Buckeye Local School District**
Ashtabula 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)*

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|
| School District's Proportion of the Net OPEB Liability (Asset) | 0.06463415% | 0.06325552% | 0.06403207% | 0.06380663% | 0.06486126% | 0.06621707% | 0.06655323% | 0.06715882% | 0.06973746% |
| School District's Proportionate Share of the Net OPEB Liability (Asset) | ($1,225,986) | ($1,230,232) | ($1,658,003) | ($1,345,311) | ($1,139,935) | ($1,096,714) | ($1,069,443) | $2,620,289 | $3,591,671 |
| School District's Employee Payroll | $8,970,900 | $8,543,821 | $8,324,471 | $7,873,321 | $7,827,743 | $7,774,164 | $7,583,479 | $7,460,535 | $7,539,600 |
| 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% | -14.11% | -14.10% | 35.12% | 47.64% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset) | 158.00% | 168.52% | 230.73% | 174.73% | 182.13% | 174.74% | 176.00% | 47.10% | 37.30% |

(1) Information prior to 2016 is not available.

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

The accompanying notes are an integral part of the required supplementary information.

**Buckeye Local School District**
Ashtabula 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 |
|---|---|---|---|---|
| Contractually Required Contribution | $49,631 | $43,102 | $48,348 | $46,655 |
| Contributions in Relation to the Contractually Required Contribution | ($49,631) | ($43,102) | ($48,348) | ($46,655) |
| Contribution Deficiency (Excess) | $0 | $0 | $0 | $0 |
| School District Employee Payroll | $2,828,143 | $2,496,550 | $2,605,207 | $2,609,929 |
| Contributions as a Percentage of Employee Payroll | 1.75% | 1.73% | 1.86% | 1.79% |

The accompanying notes are an integral part of the required supplementary information.

| | | | | | |
|---|---|---|---|---|---|
| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| $44,720 | $43,617 | $53,131 | $36,600 | $37,605 | $34,779 |
| ($44,720) | ($43,617) | ($53,131) | ($36,600) | ($37,605) | ($34,779) |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $2,285,179 | $2,265,286 | $2,263,207 | $2,067,714 | $2,044,172 | $1,977,000 |
| 1.96% | 1.93% | 2.35% | 1.77% | 1.84% | 1.76% |

**Buckeye Local School District**
Ashtabula 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 |
|---|---|---|---|---|
| Contractually Required Contribution | $0 | $0 | $0 | $0 |
| Contributions in Relation to the Contractually Required Contribution | $0 | $0 | $0 | $0 |
| Contribution Deficiency (Excess) | $0 | $0 | $0 | $0 |
| School District Covered-Employee Payroll | $9,375,879 | $8,970,900 | $8,543,821 | $8,324,471 |
| Contributions as a Percentage of Covered-Employee Payroll | 0.00% | 0.00% | 0.00% | 0.00% |

The accompanying notes are an integral part of the required supplementary information.

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $0 | $0 | $0 | $0 | $0 | $0 |
| $7,873,321 | $7,827,743 | $7,774,164 | $7,583,479 | $7,460,535 | $7,539,600 |
| 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

## 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.

## 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

## 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:

| | Fiscal Year 2022 |
|---|---|
| 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 |

| | Fiscal Year 2018 |
|---|---|
| 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 |

| | Fiscal Year 2017 & Prior |
|---|---|
| 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.

## 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

## 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.

## 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 488%.

**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

## 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.

**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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**BUCKEYE LOCAL SCHOOL DISTRICT**
**ASHTABULA COUNTY**
**SCHEDULE OF 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** | **Provided Through to Subrecipients** | **Total Federal Expenditures** |
|---|---|---|---|---|
| **U.S. DEPARTMENT OF AGRICULTURE** | | | | |
| ***Passed Through Ohio Department of Education and Workforce*** | | | | |
| Child Nutrition Cluster: | | | | |
| School Breakfast Program | 10.553 | 2025 | | $204,740 |
| National School Lunch Program | 10.555 | 2025 | | 725,639 |
| COVID-19 - National School Lunch Program - Supply Chain | 10.555 | 2025 | | 31,733 |
| Non-Cash Food Commodities | 10.555 | 2025 | | 78,980 |
| **Sub-Total Nutrition Cluster** | | | | **1,041,092** |
| **Total U.S. Department of Agriculture** | | | | **1,041,092** |
| **U.S. DEPARTMENT OF EDUCATION** | | | | |
| ***Passed Through Ohio Department of Education and Workforce*** | | | | |
| Title I - School Subsidy | 84.010A | 2024 | | 32,178 |
| Title I - School Subsidy | 84.010A | 2025 | | 474,819 |
| **Sub-Total Title I - School Subsidy** | | | | **506,997** |
| **Title II, Part A - Improving Teacher Quality** | 84.367A | 2025 | | **58,079** |
| Title VI, Part B - Special Education Grants to States | 84.027 | 2025 | $491,951 | 491,951 |
| Title VI, Part B - Early Childhood Special Education Grants to States | 84.173 | 2025 | 6,030 | 6,030 |
| **Sub-Total Title VI, Part B - Special Education Cluster** | | | **497,981** | **497,981** |
| Title VI-A - Student Support and Academic Enrichment Program | 84.424A | 2025 | | **38,747** |
| COVID-19 - American Rescue Plan (ARP) ESSER | 84.425U | 2024 | | 38,687 |
| COVID-19 - ESSER Homeless Children and Youth | 84.425W | 2025 | | 7,409 |
| **Sub-Total ESSER** | | | | **46,096** |
| Title III - English Language Acquisition Grant | 84.365 | 2025 | **2,353** | **2,353** |
| **Total U.S. Department of Education** | | | **500,334** | **1,150,253** |
| **Total Expenditures of Federal Awards** | | | **$500,334** | **$2,191,345** |

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

**BUCKEYE LOCAL SCHOOL DISTRICT**
**ASHTABULA COUNTY**

**NOTES TO THE SCHEDULE OF 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 Expenditures of Federal Awards (the Schedule) includes the federal award activity of Buckeye 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 or changes in net position of the District.

## NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in 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 programs that benefitted from the use of those donated food commodities.

## NOTE F - SUBRECIPIENTS

The District passes certain federal awards received from the Department of Education and Workforce to the Ashtabula County Educational Service Center and Educational Service Center of Northeast Ohio (subrecipients). As Note B describes, the District reports expenditures of Federal awards to subrecipients when paid in cash.

As a pass-through entity, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

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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***

Buckeye Local School District
Ashtabula County
3436 Edgewood Drive
Ashtabula, Ohio 44004

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Buckeye Local School District, Ashtabula 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 January 22, 2026, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board Statement 101, *Compensated Absences.*

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

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

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

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

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

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

January 22, 2026

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Buckeye Local School District
Ashtabula County
3436 Edgewood Drive
Ashtabula, Ohio 44004

To the Board of Education:

## Report on Compliance for the Major Federal Program

### *Opinion on the Major Federal Program*

We have audited Buckeye Local School District's, Ashtabula County, (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 Buckeye Local School District's major federal program for the year ended June 30, 2025. Buckeye Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

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

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

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

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

***Responsibilities of Management for Compliance***

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

***Auditor’s Responsibilities for the Audit of Compliance***

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

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

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

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

**Report on Internal Control Over Compliance**

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

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

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

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

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

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

January 22, 2026

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**BUCKEYE LOCAL SCHOOL DISTRICT**
**ASHTABULA 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)?** | No |
| ***(d)(1)(ii)*** | **Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?** | No |
| ***(d)(1)(iii)*** | **Was there any reported material noncompliance at the financial statement level (GAGAS)?** | No |
| ***(d)(1)(iv)*** | **Were there any material weaknesses in internal control reported for major federal programs?** | No |
| ***(d)(1)(iv)*** | **Were there any significant deficiencies in internal control reported for major federal programs?** | No |
| ***(d)(1)(v)*** | **Type of Major Programs' Compliance Opinion** | Unmodified |
| ***(d)(1)(vi)*** | **Are there any reportable findings under 2 CFR § 200.516(a)?** | No |
| ***(d)(1)(vii)*** | **Major Programs (list):** | AL# 84.010 – Title I |
| ***(d)(1)(viii)*** | **Dollar Threshold: Type A\B Programs** | Type A: > $ 750,000<br>Type B: all others |
| ***(d)(1)(ix)*** | **Low Risk Auditee under 2 CFR § 200.520?** | Yes |

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

None

## 3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE
KEITH FABER

**BUCKEYE LOCAL SCHOOL DISTRICT**

**ASHTABULA 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 2/5/2026**

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