OHIO AUDITOR OF STATE
KEITH FABER

GENEVA AREA CITY SCHOOL DISTRICT
ASHTABULA COUNTY
JUNE 30, 2023

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ASHTABULA COUNTY
JUNE 30, 2023

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Geneva Area City School District
Ashtabula County
135 South Eagle Street
Geneva, Ohio 44041

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 Geneva Area City School District, Ashtabula County, Ohio (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

March 12, 2024

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As management of the Geneva Area City School District (the School District), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the School District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

- General revenues accounted for over $26.3 million in revenue or 78.0% of all governmental revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for just over $7.4 million or 22.0% of total governmental revenues of about $33.8 million.
- The School District had $29.6 million in expenses related to governmental activities; but $7.4 million of these expenses were offset by program specific charges for services, grants, contributions or interest. General revenues (primarily taxes and grants and entitlements not restricted to specific programs) of about $26.0 million were adequate to provide for these programs, resulting in an increase in net position of $4,206,969 or 10.3%.
- At the end of the current fiscal year the governmental funds reported a combined ending fund balance of $19.9 million, an increase of $3,586,652 from the prior year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise four components: (1) government-wide statements, (2) fund financial statements, (3) notes to the basic financial statements and (4) required supplementary information.

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

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

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

Both of the government-wide financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the School District include instruction, supporting service, operation of non-instructional services, extracurricular activities, and interest and fiscal charges. The government-wide financial statements can be found on pages 16-17 of this report.

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

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

The basic fund financial statements can be found on pages 18-22 of this report.

Proprietary Fund The School District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions. More specifically, the internal service fund accounts for self-insurance of their employee's dental plan. The proprietary fund uses the accrual basis of accounting. The proprietary fund financial statements can be found on pages 23-25 of this report

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 26 of this report.

Government-wide Financial Analysis

Recall that the statement of net position provides the perspective of the School District as a whole. A comparative analysis is presented below.

Net Position

	Governmental Activities	
	2023	2022
Assets:		
Current and other assets	$ 33,480,679	$ 28,795,599
Net OPEB asset	2,232,801	1,804,930
Capital assets, net of depreciation	55,125,113	56,589,262
Total assets	90,838,593	87,189,791
Deferred outflows of resources:		
Pension	5,710,128	5,776,655
OPEB	561,441	662,865
Total deferred outflows of resources	6,271,569	6,439,520
Liabilities:		
Current liabilities	3,394,612	3,211,590
Long-term liabilities:		
Due within one year	1,306,632	1,256,352
Due in more than one year:		
Net pension liability	23,377,137	13,802,923
Net OPEB liability	1,120,862	1,506,554
Other amounts due in more than one year	9,077,244	10,453,221
Total liabilities	38,276,487	30,230,640
Deferred inflows of resources:		
Property taxes	8,236,935	7,753,030
Pension	2,436,877	11,851,644
OPEB	3,186,330	3,027,433
Total deferred inflows of resources	13,860,142	22,632,107
Net Position:		
Net investment in capital assets	46,215,159	46,652,620
Restricted net position	8,824,333	7,797,147
Unrestricted net position	(10,065,959)	(13,683,203)
Total net position	$ 44,973,533	$ 40,766,564

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. During fiscal year 2023, the School District had an increase in net position of $4,206,969.

A portion of the School District's net position, $46.2 million, reflects its investment in capital assets (e.g., land, construction in progress, buildings and improvements, land improvements, furniture, fixtures and equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the School District's net position, $8.8 million, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net position, $1.8 million, or 20.1%, is restricted for debt service payments; $3.2 million, or 36.2%, is restricted for capital projects; $0.3 million, or 3.6%, is restricted for OPEB and $3.5 million or 40.1%, is restricted for other purposes. The remaining significant balance of government-wide unrestricted net position happens to be about a deficit balance of $(10.1) million.

The net pension liability is the largest single liability reported by the School District at June 30, 2023.

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The table below shows the change in net position for fiscal years 2023 and 2022.

Changes in Net Position

	Governmental Activities	
	2023	2022
Revenues		
Program revenues:		
Charges for services and sales	$ 1,344,184	$ 1,298,850
Operating grants and contributions	6,003,136	5,983,612
Capital grants and contributions	90,000	-
General revenues:		
Property taxes	9,070,824	8,663,789
Income taxes	4,587,744	4,279,224
Grants and entitlements	12,314,079	12,365,801
Investment earnings	133,738	(463,664)
Payments in lieu of taxes	197,208	197,208
Miscellaneous	34,362	11,995
Total revenues	33,775,275	32,336,815
Expenses		
Instruction:		
Regular	12,276,081	11,018,532
Special	4,668,836	4,624,630
Vocational	231,142	236,188
Other	277,251	346,935
Support services:		
Pupils	1,775,588	1,382,756
Instructional staff	315,514	264,018
Board of education	20,704	22,178
Administration	2,384,706	2,061,508
Fiscal	742,322	670,065
Business	54,468	53,918
Operation and maintenance of plant	2,972,189	2,836,727
Pupil transportation	1,517,721	1,144,566
Central	47,783	48,091
Operation of non-instructional services:		
Food service operations	1,234,369	1,126,605
Community services	28,323	197,055
Extracurricular activities	779,065	693,272
Fiscal and interest charges	242,244	269,860
Total expenses	29,568,306	26,996,904
Increase (decrease) in net position	4,206,969	5,339,911
Net position at beginning of year	40,766,564	35,426,653
Net position at end of year	$ 44,973,533	$ 40,766,564

Governmental Activities

Several revenue sources fund our governmental activities with property taxes, income taxes and State foundation revenues being the largest contributors. Property tax levies and income tax generated approximately $13.7 million in 2023. General revenues from grants and entitlements, such as the school foundation program, generated around $12.3 million. With the combination of taxes and intergovernmental funding 76.9% of all revenues, the School District monitors both of these revenue sources very closely for fluctuations.

A review of the above table reflects the total cost of instructional services was $17,453,310 or 59.03% of governmental program expenses. Instructional expenses include activities directly related to the teaching of pupils and the interaction between teacher and pupil. These expenses increased $1,227,025, or 7.56% as compared to the prior year. For fiscal year 2023, all areas of program expenses show a significant increase due to the change in the net pension and net OPEB liabilities.

Pupil services and instructional staff include the activities involved in assisting staff and the content and process of teaching to pupils. These expenses represent $2,091,102, or 7.07% of the total governmental program expenses. Expenses to provide these programs increased $444,328 or 26.98%, as compared to fiscal year 2022.

Board of education, administration, fiscal and business classifications reflect expenses associated with establishing and administering school operation policies, financial operations and activities concerned with purchasing, receiving and maintaining goods and services for the School District. The total cost to provide these programs was $3,202,200, or 10.83% of governmental program expenses. Costs of these programs increased $394,531 or 14.05%, as compared to the prior year.

Operation and maintenance of plant expenses refer to the care and upkeep of the buildings, grounds, equipment and the safety of the School District's operations. The total cost for the operation and maintenance services was $2,972,189, or 10.05% of the governmental program expenses. These expenses increased $135,462, or 4.78% as compared to fiscal year 2022. Expenses of this program increased as costs associated with non-capital related building and construction costs increased.

Pupil transportation expenses are expenses related to the transportation of students to and from school, as well as the service and maintenance of those vehicles. Total transportation cost was $1,517,721 or 5.13% of the total governmental program expenses. Expenses for providing this program increased $373,155, or 32.6% as compared to the prior year. The primary cause of this increase was due to increases in busing related expenses.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services.

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

	2023	2022
Deferred outflows of resources for:		
Pension	$ 5,710,128	$ 5,776,655
OPEB	561,441	662,865
Deferred inflows of resources for:		
Pension	(2,436,877)	(11,851,644)
OPEB	(3,186,330)	(3,027,433)
Net pension liability	(23,377,137)	(13,802,923)
Net OPEB asset	2,232,801	1,804,930
Net OPEB liability	(1,120,862)	(1,506,554)
Impact on net position from pension and OPEB reporting	$ (21,616,836)	$ (21,944,104)

Financial Analysis of the Government's Funds

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The total revenues and other financing sources for governmental funds were $33,613,215 and total expenditures and other financing uses were $30,026,563. The net change in fund balance was significant in the general fund with an increase of $3,360,795.

Fund Balances

	Fund Balance June 30, 2023	Fund Balance June 30, 2022	Increase/ (Decrease)	Percent Change
General	$ 12,024,555	$ 8,663,760	$ 3,360,795	38.79%
Bond retirement	1,754,398	1,667,228	87,170	5.23%
Permanent improvement	1,317,853	1,106,806	211,047	19.07%
Building	1,866,884	2,049,151	(182,267)	(8.89%)
Other governmental	2,941,367	2,831,460	109,907	3.88%
Total	$ 19,905,057	$ 16,318,405	$ 3,586,652	

The School District's general fund revenues increased $1,417,947 and expenditures also increased $980,744 from 2022. The most significant change for revenues was an increase of $582,219 in interest. The increase was from a change in the adjustment to market value for investments. The increase in property tax is due to varying amounts available as an advance each year that is recognized as revenue. Total expenditures increased mainly in the area of instruction related to increased costs associated with the teaching of pupils and the interaction between teacher and pupil.

Change in Financial Activities for the General Fund

	2023 Amount	2022 Amount	Increase/ (Decrease)	Percent Change
Revenues				
Property taxes	$ 7,666,711	$ 7,214,657	452,054	6.27%
Income taxes	4,578,477	4,237,885	340,592	8.04%
Intergovernmental	13,418,252	13,337,773	80,479	0.60%
Interest	113,202	(469,017)	582,219	(124.14%)
Tuition and fees	700,177	764,305	(64,128)	(8.39%)
Extracurricular activities	103,412	100,436	2,976	2.96%
Gifts and donations	565	1,340	(775)	(57.84%)
Customer sales and service	1,532	1,486	46	3.10%
Rent	46,982	45,640	1,342	2.94%
Payment in lieu of taxes	197,208	197,208	-	0.00%
Miscellaneous	33,797	10,655	23,142	217.19%
Total	$ 26,860,315	$ 25,442,368	$ 1,417,947	
Expenditures:				
Instruction	$ 14,930,286	$ 14,219,472	$ 710,814	5.00%
Support services	7,968,326	7,712,176	256,150	3.32%
Non-instructional services	32,211	37,842	(5,631)	(14.88%)
Extracurricular activities	487,276	467,865	19,411	4.15%
Total	$ 23,418,099	$ 22,437,355	$ 980,744	

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund. During fiscal year 2023, the School District amended its general fund budget as expenditure priorities changed according to student, building and operational needs. Budget revisions are presented to the Board of Education for approval.

For the general fund, the final budget basis revenue and other financing source estimate was $27,212,067, representing an increase from the original budget and other financing source estimate of $26,375,584. This $836,483 difference was mainly due to an increase in income tax revenue from the original estimates.

Actual receipts and other financing sources of $27,223,611 were very close to the final budget basis revenue estimate.

The original expenditures and other financing use estimate for the fiscal year were $25,686,544. The final expenditures and other financing use estimate of $25,206,723 was $479,821 less than what was originally anticipated. Actual expenditures plus encumbrances and other financing uses of $24,027,554 reported positive variances as compared to the final expenditure budgets. The School District ended the year at just around $1.1 million under budget. Reductions of certified, classified and administrative personnel contributed to this significant decrease in expenditures as compared to the final budget.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the School District had $55,125,113 invested in various capitalized assets, net of depreciation. The table below shows fiscal year 2023 balances compared to fiscal year 2022.

Capital Assets, at Fiscal Year End
(Net of depreciation)

	Governmental Activities	
	2023	2022
Land	$ 1,553,640	$ 1,553,640
Construction in progress	175,395	-
Land improvements	466,799	509,734
Buildings and improvements	52,040,900	53,459,954
Furniture, fixtures and equipment	473,758	547,253
Vehicles	414,621	518,681
Total capital assets	$ 55,125,113	$ 56,589,262

Capital assets decreased $1,464,149 from 2022, due mainly from current year depreciation. See Note 7 to the basic financial statements for detail on the School District's capital assets.

Debt

At June 30, 2023, the School District had $8,909,954 in general obligation bonds outstanding including premium. Of this total, $1,030,000 is due within one year and $7,879,954 is due in more than one year. The following table summarizes the bonds outstanding.

Outstanding Debt at Fiscal Year End

	Governmental Activities	
	2023	2022
General obligation bonds:		
School improvement/refunding	$ 8,909,954	$ 9,936,742

Additional information on the School District's long-term debt can be found in Note 13 of the basic financial statements.

Current Financial Related Activities

The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. The financial future of the School District is not without its challenges though. These challenges stem from issues that are local and at the State level. The local challenges will continue to exist, as the School District must rely heavily on property taxes to fund its operations. State level challenges continue to evolve as the State of Ohio determines the outcome of the Ohio Supreme Court case dealing with the unconstitutionality of the State's educational funding system. Although the School District relies heavily on its property taxpayers to support its operations, the community support for the School District is quite strong.

Due to the unsettled issues in school funding, management is required to plan carefully and prudently to provide the resources to meet student needs over the next several years.

In conclusion, the School District's system of budgeting and internal controls is well regarded. All of the School District's financial abilities will be needed to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kevin Lillie, Treasurer at Geneva Area City School District, 135 South Eagle Street, Geneva, Ohio 44041.

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Geneva Area City School District

Statement of Net Position

June 30, 2023

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	$ 20,078,058
Cash and cash equivalents:	
In segregated accounts	276,898
With fiscal agents	15,000
Receivables:	
Property taxes	9,143,269
Income taxes	1,717,248
Accounts	687,701
Intergovernmental	1,373,384
Accrued interest	117,602
Inventory held for resale	36,851
Materials and supplies inventory	34,668
Net OPEB asset	2,232,801
Capital assets:	
Land	1,553,640
Construction in progress	175,395
Depreciable capital assets	79,125,638
Accumulated depreciation	(25,729,560)
Total capital assets	55,125,113
Total assets	90,838,593
Deferred outflows of resources:	
Pension	5,710,128
OPEB	561,441
Total deferred outflows of resources	6,271,569
Liabilities:	
Accounts payable	513,220
Accrued wages and benefits	2,297,847
Intergovernmental payable	442,810
Accrued interest payable	21,077
Matured compensated absences payable	32,765
Matured bonds payable	15,000
Unearned revenue	11,808
Claims payable	34,500
Undistributed monies	25,585
Long-term liabilities:	
Due within one year	1,306,632
Due in more than one year:	
Net pension liability	23,377,137
Net OPEB liability	1,120,862
Other amounts due in more than one year	9,077,244
Total liabilities	38,276,487
Deferred inflows of resources:	
Property taxes	8,236,935
Pension	2,436,877
OPEB	3,186,330
Total deferred inflows of resources	13,860,142
Net position:	
Net investment in capital assets	46,215,159
Restricted for:	
Capital projects	3,190,220
Debt service	1,770,902
OPEB	314,207
Other purposes	3,549,004
Unrestricted	(10,065,959)
Total net position	$ 44,973,533

See accompanying notes to the basic financial statements.

Geneva Area City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction:					
Regular	$ 12,276,081	$ 105,185	$ 1,591,379	$ -	$ (10,579,517)
Special	4,668,836	564,137	1,360,816	-	(2,743,883)
Vocational	231,142	-	405,218	-	174,076
Other	277,251	-	122,512	-	(154,739)
Support services:					
Pupils	1,775,588	-	270,726	-	(1,504,862)
Instructional staff	315,514	-	198,826	-	(116,688)
Board of education	20,704	-	-	-	(20,704)
Administration	2,384,706	-	136,933	-	(2,247,773)
Fiscal	742,322	-	34,891	-	(707,431)
Business	54,468	-	-	-	(54,468)
Operation and maintenance of plant	2,972,189	46,982	575,577	-	(2,349,630)
Pupil transportation	1,517,721	-	395,738	90,000	(1,031,983)
Central	47,783	-	-	-	(47,783)
Operation of non-instructional services:					
Food service operations	1,234,369	302,647	891,005	-	(40,717)
Community services	28,323	-	-	-	(28,323)
Extracurricular activities	779,065	325,233	19,515	-	(434,317)
Interest and fiscal charges	242,244	-	-	-	(242,244)
Total governmental activities	$ 29,568,306	$ 1,344,184	$ 6,003,136	$ 90,000	(22,130,986)

General Revenues:	
Property taxes levied for:	
General purposes	$ 7,515,910
Debt service	1,214,123
Capital outlay and maintenance	340,791
Income taxes levied for:	
General purposes	4,587,744
Grants and entitlements not restricted to specific programs	12,314,079
Investment earnings	133,738
Payment in lieu of taxes	197,208
Miscellaneous	34,362
Total general revenues	26,337,955
Change in net position	4,206,969
Net position beginning of year	40,766,564
Net position end of year	$ 44,973,533

See accompanying notes to the basic financial statements.

Geneva Area City School District
Balance Sheet
Governmental Funds
June 30, 2023

	General	Bond Retirement	Permanent Improvement	Building	Other Governmental Funds	Total Governmental Funds
Assets:						
Equity in pooled cash and cash equivalents	$ 12,702,806	$ 1,664,739	$ 1,304,566	$ 1,889,578	$ 2,390,783	$ 19,952,472
Cash and cash equivalents:						
With fiscal agent	-	15,000	-	-	-	15,000
In segregated accounts	-	-	-	-	276,898	276,898
Receivables:						
Property taxes	7,577,282	1,222,916	186,693	-	156,378	9,143,269
Income taxes	1,717,248	-	-	-	-	1,717,248
Accounts	682,374	-	-	-	5,327	687,701
Intergovernmental	-	-	-	-	1,373,384	1,373,384
Interfund	76,874	-	-	-	-	76,874
Accrued interest	117,564	-	-	-	38	117,602
Inventory held for resale	-	-	-	-	36,851	36,851
Materials and supplies inventory	34,668	-	-	-	-	34,668
Total assets	$ 22,908,816	$ 2,902,655	$ 1,491,259	$ 1,889,578	$ 4,239,659	$ 33,431,967
Liabilities:						
Accounts payable	$ 397,494	$ -	$ -	$ 22,694	$ 93,032	$ 513,220
Accrued wages and benefits	2,053,065	-	-	-	244,782	2,297,847
Interfund payable	-	-	-	-	76,874	76,874
Intergovernmental payable	386,219	-	-	-	56,591	442,810
Matured bonds payable	-	15,000	-	-	-	15,000
Matured compensated absences payable	32,765	-	-	-	-	32,765
Unearned revenue	-	-	-	-	11,808	11,808
Undistributed monies	25,585	-	-	-	-	25,585
Total liabilities	2,895,128	15,000	-	22,694	483,087	3,415,909
Deferred inflows of resources:						
Property taxes	6,833,080	1,095,676	167,923	-	140,256	8,236,935
Unavailable revenue - delinquent property taxes	218,101	37,581	5,483	-	4,729	265,894
Unavailable revenue	937,952	-	-	-	670,220	1,608,172
Total deferred inflows of resources	7,989,133	1,133,257	173,406	-	815,205	10,111,001
Fund balances:						
Nonspendable	34,668	-	-	-	45,468	80,136
Restricted	-	1,754,398	1,317,853	1,866,884	3,010,594	7,949,729
Committed	22,000	-	-	-	-	22,000
Assigned	453,539	-	-	-	-	453,539
Unassigned (deficit)	11,514,348	-	-	-	(114,695)	11,399,653
Total fund balances	12,024,555	1,754,398	1,317,853	1,866,884	2,941,367	19,905,057
Total liabilities, deferred inflows of resources and fund balances	$ 22,908,816	$ 2,902,655	$ 1,491,259	$ 1,889,578	$ 4,239,659	$ 33,431,967

See accompanying notes to the basic financial statements.

Geneva Area City School District
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2023

Total governmental fund balances		$ 19,905,057
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.		55,125,113
Other long-term assets that are not available to pay for current-period expenditures and therefore are unavailable revenue in the funds:		
Property taxes receivable	$ 265,894	
Income taxes receivable	328,715	
Intergovernmental receivable	665,232	
Tuition and fees	609,057	
Customer sales and service	4,988	
Extracurricular	180	
Total		1,874,066
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.		91,086
The net pension and net OPEB liability are not due and payable in the current period; the net OPEB asset is not a financial resource; therefore, the asset, liability and related deferred inflows/outflows are not reported in the funds:		
Deferred outflows - pension	5,710,128	
Deferred inflows - pension	(2,436,877)	
Net pension liability	(23,377,137)	
Deferred outflows - OPEB	561,441	
Deferred inflows - OPEB	(3,186,330)	
Net OPEB liability	(1,120,862)	
Net OPEB asset	2,232,801	
Total		(21,616,836)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(21,077)
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	(8,800,000)	
Premium on bonds	(109,954)	
Compensated absences	(1,473,922)	
Total		(10,383,876)
Net position of governmental activities		$ 44,973,533

See accompanying notes to the basic financial statements.

Geneva Area City School District

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2023

	General	Bond Retirement	Permanent Improvement	Building	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	$ 7,666,711	$ 1,239,216	$ 189,375	$ -	$ 158,708	$ 9,254,010
Income taxes	4,578,477	-	-	-	-	4,578,477
Intergovernmental	13,418,252	146,483	21,058	-	4,162,609	17,748,402
Interest	113,202	-	16,695	-	9,971	139,868
Tuition and fees	700,177	-	-	-	66	700,243
Extracurricular activities	103,412	-	-	-	221,641	325,053
Gifts and donations	565	-	-	-	38,377	38,942
Customer sales and service	1,532	-	-	-	297,659	299,191
Rent	46,982	-	-	-	-	46,982
Payment in lieu of taxes	197,208	-	-	-	-	197,208
Miscellaneous	33,797	-	-	-	-	33,797
Total revenues	26,860,315	1,385,699	227,128	-	4,889,031	33,362,173
Expenditures:						
Current:						
Instruction:						
Regular	10,916,486	-	-	-	530,470	11,446,956
Special	3,610,995	-	-	-	1,108,441	4,719,436
Vocational	248,041	-	-	-	-	248,041
Other	154,764	-	-	-	123,840	278,604
Support services:						
Pupils	1,441,580	-	-	-	363,815	1,805,395
Instructional staff	120,918	-	-	-	157,207	278,125
Board of education	20,842	-	-	-	-	20,842
Administration	2,348,215	-	-	-	114,051	2,462,266
Fiscal	701,443	26,926	4,062	-	28,576	761,007
Business	55,087	-	-	-	-	55,087
Operation and maintenance of plant	2,132,379	-	-	6,872	590,428	2,729,679
Pupil transportation	1,100,079	-	-	-	314,812	1,414,891
Central	47,783	-	-	-	-	47,783
Operation of non-instructional services:					-	
Food service operations	32,211	-	3,589	-	1,191,964	1,227,764
Community services	-	-	-	-	28,323	28,323
Extracurricular activities	487,276	-	1,375	-	291,818	780,469
Capital outlay	-	-	7,055	175,395	16,800	199,250
Debt service:						
Principal retirement	-	1,000,000	-	-	-	1,000,000
Interest and fiscal charges	-	271,603	-	-	-	271,603
Total expenditures	23,418,099	1,298,529	16,081	182,267	4,860,545	29,775,521
Excess of revenues over (under) expenditures	3,442,216	87,170	211,047	(182,267)	28,486	3,586,652
Other financing sources (uses):						
Transfers in	-	-	-	-	251,042	251,042
Transfers out	(81,421)	-	-	-	(169,621)	(251,042)
Total other financing sources (uses)	(81,421)	-	-	-	81,421	-
Net change in fund balances	3,360,795	87,170	211,047	(182,267)	109,907	3,586,652
Fund balances beginning of year, as restated	8,663,760	1,667,228	1,106,806	2,049,151	2,831,460	16,318,405
Fund balances end of year	$ 12,024,555	$ 1,754,398	$ 1,317,853	$ 1,866,884	$ 2,941,367	$ 19,905,057

See accompanying notes to the basic financial statements.

Geneva Area City School District

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2023

Net change in fund balances - total governmental funds		$ 3,586,652
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital asset additions	$ 199,250	
Depreciation expense	(1,663,399)	
Excess of depreciation expense over capital asset additions and capital contributions		(1,464,149)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These activities consist of:		
Property taxes	(183,186)	
Income taxes	9,267	
Intergovernmental	614,306	
Tuition and fees	(32,453)	
Customer sales and service	4,988	
Extracurricular	180	
Net change in deferred inflows of resources during the year		413,102
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
Pension		2,013,405
OPEB		54,699
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability and net OPEB asset/liability are reported as pension and OPEB expense in the statement of activities.		
Pension		(2,239,379)
OPEB		498,543
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		1,000,000
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Decrease in compensated absences	298,909	
Amortization of premium	26,788	
Decrease in accrued interest	2,571	
Total additional expenses		328,268
The internal service fund used by management to charge the costs of dental claims to individual funds is not reported in the statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.		15,828
Change in net position of governmental activities		$ 4,206,969

See accompanying notes to the basic financial statements.

Geneva Area City School District
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	$ 7,726,207	$ 7,809,575	$ 7,809,575	$ -
Income taxes	4,050,939	4,507,164	4,507,164	-
Intergovernmental	13,312,662	13,427,673	13,427,673	-
Interest	172,347	260,231	253,723	(6,508)
Tuition and fees	703,320	691,646	691,646	-
Extracurricular activities	104,000	103,249	103,249	-
Gifts and donations	1,315	565	565	-
Customer sales and service	1,300	1,717	1,717	-
Rent	46,000	46,982	46,982	-
Payment in lieu of taxes	197,208	197,208	197,208	-
Miscellaneous	6,286	15,228	33,280	18,052
Total revenues	26,321,584	27,061,238	27,072,782	11,544
Expenditures:				
Current:				
Instruction:				
Regular	11,239,154	11,031,977	10,905,529	126,448
Special	4,147,034	4,071,139	3,784,196	286,943
Vocational	264,426	258,973	249,407	9,566
Other	222,222	217,635	181,923	35,712
Support services:				
Pupils	1,616,547	1,587,407	1,422,175	165,232
Instructional staff	133,334	130,794	121,132	9,662
Board of education	40,789	39,800	20,942	18,858
Administration	2,635,549	2,582,231	2,498,028	84,203
Fiscal	738,021	724,130	696,052	28,078
Business	65,845	64,500	55,221	9,279
Operation and maintenance of plant	2,567,443	2,517,866	2,241,236	276,630
Pupil transportation	1,250,399	1,226,811	1,172,266	54,545
Central	57,478	56,350	49,073	7,277
Operation of non-instructional services:				
Food service operations	41,782	41,000	33,374	7,626
Extracurricular activities	520,241	510,610	493,469	17,141
Capital outlay	26,280	25,500	22,110	3,390
Total expenditures	25,566,544	25,086,723	23,946,133	1,140,590
Excess of revenues under expenditures	755,040	1,974,515	3,126,649	1,152,134
Other financing sources (uses):				
Proceeds from the sale of capital assets	6,000	-	-	-
Refund of prior year expenditures	48,000	150,829	150,829	-
Insurance recoveries	-	-	-	-
Transfers out	(120,000)	(120,000)	(81,421)	38,579
Total other financing sources (uses)	(66,000)	30,829	69,408	38,579
Net change in fund balance	689,040	2,005,344	3,196,057	1,190,713
Fund balance at beginning of year	9,322,043	9,322,043	9,322,043	-
Prior year encumbrances appropriated	324,708	324,708	324,708	-
Fund balance at end of year	$ 10,335,791	$ 11,652,095	$ 12,842,808	$ 1,190,713

See accompanying notes to the basic financial statements.

Geneva Area City School District

Statement of Fund Net Position

Internal Service Fund

June 30, 2023

	Self Insurance
Assets:	
Equity in pooled cash and cash equivalents	$ 125,586
Liabilities:	
Claims payable	34,500
Net position:	
Unrestricted	91,086
Total liabilities and net position	$ 125,586

See accompanying notes to the basic financial statements.

Geneva Area City School District

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

	Self Insurance
Operating revenues	
Charges for services	$ 228,037
Operating expenses:	
Purchased services	16,304
Claims	195,905
Total operating expenses	212,209
Operating income	15,828
Net position at beginning of year	75,258
Net position at end of year	$ 91,086

See accompanying notes to the basic financial statements.

Geneva Area City School District

Statement of Cash Flows

Internal Service Fund

For the Fiscal Year Ended June 30, 2023

		Self Insurance
Cash flows from operating activities:		
Cash received for charges for services	$	230,507
Cash payments to suppliers for goods and services		(16,304)
Cash payments for claims		(201,894)
Net cash used for operating activities		12,309
Net decrease in cash and cash equivalents		12,309
Cash and cash equivalents at beginning of year		113,277
Cash and cash equivalents at end of year	$	125,586
Reconciliation of operating loss to net cash used for operating activities:		
Operating income	$	15,828
Adjustments to reconcile operating income to net cash used for operating activities:		
Change in liabilities:		
(Increase) decrease in assets:		
Accounts receivable		2,470
Increase (decrease) in liabilities:		
Claims payable		(5,989)
Total adjustments		(3,519)
Net cash used for operating activities	$	12,309

See accompanying notes to the basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Geneva Area City School District (the School 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 School District's accounting policies are described below.

A. Reporting Entity

The School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District is a city district as defined by Section 3311.02 of the Ohio Revised Code. The School District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the School District.

Average daily membership (ADM) as of June 30, 2023, was 2,145. The School District employed 160 certificated employees and 105 non-certificated employees.

The School District provides regular, special, vocational and other instruction. The School District also provides support services for pupils, instructional staff, board of education, administration, fiscal, operation and maintenance of plant and pupil transportation. Operation of non-instructional services, extracurricular activities and non-programmed services are also provided.

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.

The Ashtabula County District Library (the Library) is a library created under Chapter 3375 of the Ohio Revised Code (ORC) and is located in the Geneva Area City School District. The Board of Trustees of the Library controls and manages the Library and issues its own financial statements, therefore, is excluded from these financial statements.

The School District is associated with organizations which are defined as jointly governed organizations. These organizations are the Northeast Ohio Management Information Network, the Ashtabula County Schools Council of Governments, and the Ashtabula County Technical and Career Center which are presented in Note 14 to the basic financial statements.

Within the School District boundaries is a non-public school, the Grand River Academy. Current State legislation provides funding to this school. These monies are now sent directly to the non-public school due to recent changes in State guidelines.

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

B. Fund Accounting

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

For financial statement presentation purposes, the various funds of the School District are grouped into three categories: governmental, proprietary and fiduciary.

Governmental Fund Types Governmental funds are those through which most governmental functions typically are financed. Governmental fund types are accounted for on a flow of current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources (revenues and other financing sources) and uses (expenditures and other financing uses) of "available spendable resources" during the period. The School District reports four major governmental funds as described below:

> General Fund – This fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the policies of the School District and the laws of the State of Ohio.
>
> Bond Retirement Fund – This debt service fund is used to account for the financial resources, such as property taxes, collected and used for the repayment of debt of the School District.
>
> Permanent Improvement Fund – This capital projects fund is used to account for all transactions related to acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705.

Building Fund – This capital projects fund is used to account for all special bond funds in the district. All proceeds from the sale of bonds, except premium and accrued interest, must be paid into this fund. In addition, this fund received a portion of Ohio Schools Facilities funding. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

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

Proprietary Fund Type Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no enterprise funds.

Internal Service Fund – The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for revenue received from other funds and the settlement of expenses for dental claims of School District employees.

C. Basis of Presentation

Government-wide Financial Statements The statement of net position and statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government.

The government-wide statements are prepared using the economic resources measurement focus. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements of governmental funds.

The statement of net position presents the financial condition of the governmental activities of the School District at year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods and services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the 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 The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities and deferred outflows and inflows of resources, and statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financial uses) of current financial resources.

The trust fund is reported using the economic resources measurement focus.

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. Proprietary funds also use the accrual basis of accounting.

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the fiscal year in which the income is earned and revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the 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, student fees and rentals. 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.

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and other postemployment benefits (OPEB). The deferred outflows of resources related to pension and OPEB are explained in Note 10.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance year 2024 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, income taxes, and intergovernmental grants. These amounts are deferred and recognized as inflows 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.

E. Budget and Budgetary Accounting

The budgetary process is prescribed by provisions of Ohio Revised Code and entails the preparation of budgetary documents with an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each function for the general fund and at the fund level for all other funds. Any budgetary modifications at these levels may only be made by resolution of the Board of Education.

1) 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 either its regular board meeting in December or its organizational 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.

2) The County Budget Commission certifies its actions to the School District by March 1st. As part of this certification, the School 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.

3) 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 appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. 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 legal level of control.

4) The School District prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP). The actual results of operations for the general fund are presented in the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget (Non-GAAP Basis) and Actual - General Fund" to provide a meaningful comparison of actual results with the budget.

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 reappropriated.

F. Cash and Investments

Cash received by the School District is pooled in various bank accounts with individual fund balance integrity maintained throughout. Individual fund integrity is maintained through the School District’s records. Each fund’s interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents.” Also, the School District maintains segregated accounts for the district managed activity and student managed activity funds, which is presented as “Cash and cash equivalents in segregated accounts.”

The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. This account’s balance is presented in the account “Cash and cash equivalents with fiscal agents”.

During the fiscal year all investments were limited to certificates of deposit and instruments of government sponsored mortgage-backed securities. Except for nonparticipating investments contracts, investments are reported at fair market value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and negotiable certificates of deposits are reported at cost.

G. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are imposed by creditors, contributors, grantors, laws of other governments, or enabling legislation. The School District expended all restricted assets in accordance with specific restrictions during the fiscal year. See Note 16 for the calculation of the year-end restricted asset balance and the corresponding fund balance restriction.

H. Inventories

Inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. Inventories are determined by physical count. Inventory in governmental funds consists of donated food, purchased food, and expendable supplies held for consumption. The cost of the governmental fund type inventories is recorded as expenditures when used (consumption method).

I. Taxes Receivable

The financial statements reflect taxes receivable as of June 30, 2023. GAAP permits the recognition of revenue from any property tax assessment in the fiscal period levied, provided the funds are "available." "Available" means then due or past due and receivable within the current period or expected to be collected soon thereafter. While these taxes have been assessed, the majority are not due at June 30, 2023 and accordingly have been recorded as deferred inflows of resources – property taxes in the accompanying financial statements. Taxes that become delinquent remain recorded in deferred inflows of resources – delinquent property taxes until they are determined to be uncollectible.

J. Capital Assets

Capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related 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. The School District maintains a capitalization threshold of five thousand dollars.

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition value on the date received. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Description	Estimated Lives
Buildings and improvements	30-50 years
Furniture	20 years
Equipment	10-20 years
Fixtures	15 years
Vehicles	10 years

K. 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 activities column of the statement of net position.

L. Interfund Activity

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

M. Pension and other postemployment benefits (OPEB)

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

The current accounting standard requires School District’s to report their proportionate share of the net pension/OPEB liability or asset using the earning approach to pension and OPEB accounting instead of the funding approach as previously used. The funding approach limited pension and postemployment costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan’s net pension/OPEB liability or asset. Under the new standards, the net pension/OPEB liability or asset equals the School District’s proportionate share of each plan’s collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees’ past service minus plan assets available to pay these benefits.

Pension and OPEB obligations, whether funded or unfunded, are part of the employment exchange. The employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. The unfunded portion of this benefit of exchange is a liability of the School District. However, the School District is not responsible for key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Benefit provisions and both employer and employee contribution rates are determined by State statute. The employee and employer enter the employment exchange with the knowledge that the exchange is limited by law. The pension system is responsible for the administration of the pension and OPEB plans.

There is no repayment schedule for the net pension liability or the net OPEB liability. The School District has no control over the changes in the benefits, contribution rates, and return on investments affecting the balance of the liabilities. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not identify the responsible party for the unfunded portion. Due to the unique nature of how the pension liability and the OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

N. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means.
Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments. The entire compensated absences liability is reported on the government-wide financial statements.

The current portion of unpaid compensated absence, which expected to be paid using the available expendable resources, is reported on the governmental funds financial statements. The amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The non-current portion of the liability is not reported in this statement.

O. Unearned Revenue

Unearned revenues arise when resources are received by the School District before it has a legal claim to them, as when grant monies are received prior to incurring the qualifying expenditures. In addition, the School District takes money in each building's cafeteria for advance payment of lunches and other goods which is reported as unearned revenue until used by the customer.

P. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds 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.

Q. Fund Balance

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

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

Assigned fund balance classifications are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. The purpose constraint that represents the intended use is established by the Board of Education or by their designated official. 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 policies of the School District. The Treasurer is authorized to assign fund balance using encumbrances for planned purchases, provided such amounts have been lawfully appropriated. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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

R. Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment of 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 either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

S. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for the self-insurance program. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund.

T. 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 2 – FUND BALANCES

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

Fund Balances	General	Bond Retirement	Permanent Improvement	Building	Other Governmental Funds	Total Governmental Funds
Nonspendable						
Materials and supplies inventory	$ 34,668	$ -	$ -	$ -	$ -	$ 34,668
Permanent fund principal	-	-	-	-	45,468	45,468
Total nonspendable	34,668	-	-	-	45,468	80,136
Restricted for						
Food service	-	-	-	-	405,467	405,467
Various student activities	-	-	-	-	274,704	274,704
Academic enrichment	-	-	-	-	9,576	9,576
Emergency relief	-	-	-	-	35,930	35,930
Classroom facilities maintenance	-	-	-	-	382,934	382,934
Capital improvements	-	-	1,317,853	1,866,884	-	3,184,737
Instructional programs	-	-	-	-	18,827	18,827
Extended learning	-	-	-	-	117,325	117,325
Special education	-	-	-	-	695,720	695,720
Student wellness	-	-	-	-	1,031,820	1,031,820
Scholarships and awards	-	-	-	-	38,291	38,291
Debt service payments	-	1,754,398	-	-	-	1,754,398
Total restricted	-	1,754,398	1,317,853	1,866,884	3,010,594	7,949,729
Committed						
Underground storage tanks	22,000	-	-	-	-	22,000
Assigned						
Encumbrances	453,539	-	-	-	-	453,539
Unassigned (deficit)	11,514,348	-	-	-	(114,695)	11,399,653
Total fund balances	$12,024,555	$ 1,754,398	$ 1,317,853	$ 1,866,884	$ 2,941,367	$ 19,905,057

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

3. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

5. The revenues, expenditures and other financing sources and uses of the general fund include activity that is budgeted within special revenue funds (GAAP basis). However, on the budgetary basis, the activity of the special revenue funds is excluded resulting in perspective differences.

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

	General
GAAP basis	$ 3,360,795
Revenue accruals	152,383
Adjustment to fair market value for investments:	
Prior year amount	(555,829)
Current year amount	768,222
Expenditure accruals	124,914
Budgeted as part of special revenue fund:	
Revenues	(1,480)
Expenditures	1,617
Encumbrances (Budget Basis) outstanding at year end	(654,565)
Budget basis	$ 3,196,057

NOTE 4 – CASH AND INVESTMENTS

State statutes classify monies held by the School District into three categories. Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the School District Treasury, in commercial accounts payable or withdrawal 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 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 public deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing within five years from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be invested in the following obligations provided they mature or are redeemable within five years from the date of settlement, unless the investment is matched to a specific obligation or debt of the School District and the investment is not a commercial paper note, a banker's acceptance or a repurchase agreement:

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 that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed thirty days.
4. Bonds and other obligations of the State of Ohio or its political subdivisions provided that such political subdivisions are located wholly or partly within the School District.
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) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.

7. The State Treasurer's investment pool (STAR Ohio).
8. Commercial paper notes, limited to 40% (5% for a single issuer) in total of the interim monies available for investment at any one time and for a period not to exceed two hundred seventy days; and
9. Bankers acceptances, limited to 40% of the interim monies available for investment at any one time and for a period not to exceed one hundred eighty days.

An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) or by eligible securities pledged by the financial institution as security for repayment.

Cash on hand

At fiscal year-end, the School District had $3,295 in undeposited cash on hand which is included as part of "equity in pooled cash and cash equivalents."

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned. According to state law, public depositories must provide security for the repayment of all public deposits. These institutions shall give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC). The security for these deposits will be made under an agreement using a surety bond and/or by means of pledging allowable securities as collateral to be held by a qualified trustee. The pledged collateral can be held for each public depositor and must have a market value of at least 105% of the total value of public monies on deposit at the institution. In addition, the financial institution can participate in a pooled collateral arrangement with the Ohio Pooled Collateral System (OPCS). If the institution participates in the OPCS, the total market value of the securities pledged can be 102% or lower if permitted by the Treasurer of State.

The School District's financial institutions participate in the OPCS and one was approved for a reduced collateral floor of 50 percent.

The School District has no deposit policy for custodial risk beyond the requirements of State statute.

Investments

As of June 30, the School District had the following investments and maturities:

		Investment Maturities			
Investment Type	Fair Value	Less than 1 Year	1 - 2 Years	More Than 2 Years	Percentage of Investments
Federal Home Loan Bank	$ 10,217,773	$ 2,982,640	$ 2,794,962	$ 4,440,171	58.52%
Federal National Mortgage Assn.	198,202	-	198,202	-	1.14%
Federal Home Loan Mortgage Corp.	1,336,286	190,778	-	1,145,508	7.65%
Federal Farm Credit Bank	465,552	97,432	187,490	180,630	2.67%
Negotiable CDs	5,241,332	3,673,616	933,675	634,041	30.02%
Total investments	$ 17,459,145	$ 6,944,466	$ 4,114,329	$ 6,400,350	100.00%

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above tables identify the School District's recurring fair value measurement as of June 30, 2023. All of the School District's investments measured at fair value are valued using Level 1 and Level 2 inputs.

Custodial credit risk for an investment is the risk that in the event of failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The securities, held by the counterparty and not in the School District's name, are Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA), Federal Farm Credit Bank (FFCB), and Federal Home Loan Mortgage Corporation (FHLMC). All of the School District's negotiable certificates of deposit are registered securities and covered in full by FDIC insurance. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

Interest rate risk is the possibility that changes in interest rates will adversely affect the fair value of an investment. The School District's investment policy does not address limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk is the possibility that an issuer or other counterparty to an investment will not fulfill its obligation. The School District's investment policy requires certain credit ratings for some investments as allowed by state law. Standard and Poor's has assigned the Federal Farm Credit Bank (FFCB), Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), and Federal Home Loan Bank (FHLB) securities an AA+ rating.

Concentration of credit risk is the possibility of loss attributed to the magnitude of the School District's investment in a single issuer. More than 5 percent of the School District's investments are in FHLB and FHLMC. The School District places no limit on the amount that may be invested in any one issuer. The investments in negotiable CD's are all individually below the 5 percent. The table above is the School District's allocation as of June 30, 2023.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. For the School District, all investment earnings accrue to the general fund, certain special revenue funds, certain capital projects funds, and the private purpose trust fund as authorized by board resolution. Interest revenue credited to the general fund during the fiscal year amounted to $113,202; which includes interest of $24,178 assigned from other School District funds.

NOTE 5 – PROPERTY TAX

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, public utility and tangible personal property (used for public utilities) located in the School District. Real property tax revenue received in calendar 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2023 represents collections of calendar year 2022 taxes. Public utility real and tangible personal property taxes received in calendar year 2023 became a lien December 31, 2021, were levied after April 1, 2022 and are collected with real property taxes. Public utility real property is assessed at 35 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 District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

At June 30, 2023, taxes available for advance were: $526,101 for the general fund, $89,659 for the bond retirement debt service fund; $13,287 for the permanent improvement capital projects fund, and $11,393 for the classroom facilities maintenance special revenue fund. On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2023 taxes were collected are:

Property Category	2023 Assessed Value	2022 Assessed Value
Real Property		
Residential, agricultural, commercial and industrial	$ 383,358,360	$ 374,202,410
Public utilities	173,640	158,230
Tangible Personal Property		
General	16,922,190	15,279,900
Total	$ 400,454,190	$ 389,640,540

NOTE 6 - INCOME TAXES

The School District levies a voted tax of 1.25 percent for general operations on the earned income of residents and of estates. The earned income tax was passed in 2018 and went into effect January 1, 2019. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund.

NOTE 7 – CAPITAL ASSETS

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

Governmental Activities	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets, not being depreciated:				
Land	$ 1,553,640	$ -	$ -	$ 1,553,640
Construction in progress	-	175,395	-	175,395
Total capital assets, not being depreciated	1,553,640	175,395	-	1,729,035
Capital assets, being depreciated:				
Land improvements	2,914,802	-	-	2,914,802
Buildings and improvements	71,854,878	16,800	-	71,871,678
Furniture, fixtures and equipment	1,958,452	7,055	-	1,965,507
Vehicles	2,373,651	-	$ -	2,373,651
Total capital assets, being depreciated	79,101,783	23,855	-	79,125,638
Less: Accumulated depreciation:				
Land improvements	(2,405,068)	(42,935)	-	(2,448,003)
Buildings and improvements	(18,394,924)	(1,435,854)	-	(19,830,778)
Furniture, fixtures and equipment	(1,411,199)	(80,550)	-	(1,491,749)
Vehicles	(1,854,970)	(104,060)	-	(1,959,030)
Total accumulated depreciation	(24,066,161)	(1,663,399)	-	(25,729,560)
Total capital assets being depreciated, net	55,035,622	(1,639,544)	-	53,396,078
Governmental activities capital assets, net	$ 56,589,262	$ (1,464,149)	$ -	$ 55,125,113

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 1,069,219
Special	31,112
Vocational	21,520
Support services:	
Pupil	12,308
Instructional staff	43,990
Administration	25,974
Operation and maintenance of plant	282,294
Pupil transportation	127,519
Operation of non-instructional services	37,403
Extracurricular activities	12,060
Total depreciation expense	$ 1,663,399

NOTE 8 – RECEIVABLES

Receivables at June 30, 2023, consisted of taxes, accounts (miscellaneous), accrued interest 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 the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
Other governmental funds:	
Grants	$ 1,373,384

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at June 30, 2023 consisted of the following:

	Interfund Receivable	Interfund Payable
General fund	$ 76,874	$ -
Nonmajor governmental funds	-	76,874
	$ 76,874	$ 76,874

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

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

Transfers from general fund to:	
Nonmajor governmental funds	$ 81,421
Transfers from nonmajor governmental funds to:	
Nonmajor governmental funds	169,621
	$ 251,042

Transfers are used to 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 to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budget authorization. Transfers are also used to close out grants in any funds, including special revenue funds that are no longer required, as indicated above.

NOTE 10 – DEFINED BENEFIT PENSION PLANS AND OPEB PLANS

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

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

A. DEFINED BENEFIT PENSION PLANS

School Employee Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2022, the Board of Trustees approved a 2.5 percent cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

Funding Policy - Plan members are required to contribute 10.00 percent of their annual covered salary and the District is required to contribute 14.00 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 10.00 percent for plan members and 14.00 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.00 percent. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was $415,245 for fiscal year 2023. Of this amount $38,224 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20 percent of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

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

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

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

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

The School District's contractually required contribution to STRS was $1,598,160 for fiscal year 2023. Of this amount $276,020 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the net pension liability - prior measurement date	0.0774435%	0.0856059%	
Proportion of the net pension liability - current mearsurement date	0.0777983%	0.0862307%	
Change in proportionate share	0.0003548%	0.0006248%	
Proportionate share of the net pension liability	$4,207,937	$19,169,200	$23,377,137
Pension expense	$368,453	$1,870,926	$2,239,379

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 170,425	$ 245,390	$ 415,815
Changes of assumptions	41,520	2,293,977	2,335,497
Net difference between projected and actual earnings on pension plan investments	-	667,046	667,046
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	79,625	198,740	278,365
School District contributions subsequent to the measurement date	415,245	1,598,160	2,013,405
Total deferred outflows of resources	$ 706,815	$ 5,003,313	$ 5,710,128
Deferred inflows of resources			
Net difference between expected and actual experience	$ 27,624	$ 73,328	$ 100,952
Changes of assumptions	-	1,726,705	1,726,705
Net difference between projected and actual earnings on pension plan investments	146,838	-	146,838
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	-	462,382	462,382
Total deferred inflows of resources	$ 174,462	$ 2,262,415	$ 2,436,877

$2,013,405 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year	SERS	STRS	Total
2024	$ 90,527	$ (226,013)	$ (135,486)
2025	(7,678)	(117,473)	(125,151)
2026	(209,761)	(457,844)	(667,605)
2027	244,020	1,944,068	2,188,088
Total	$ 117,108	$ 1,142,738	$ 1,259,846

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, 2022, are presented below:

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

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

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

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

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US equity	24.75	5.37
International equity developed	13.50	6.22
International equity emerging	6.75	8.22
Fixed income/Global bonds	19.00	1.20
Private equity	11.00	10.05
Real estate/Real assets	16.00	4.87
Multi-asset strategies	4.00	3.39
Private debt/Private credit	3.00	5.38
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.0 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (6.00%)	Current discount rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$ 6,193,883	$4,207,937	$2,534,805

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 actuarial valuation, compared with June 30, 2021 actuarial valuation, are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.5 percent	2.5 percent
Projected salary increases	Varies be service from 2.5 percent to 8.5 percent	12.5 percent at age 20 to 2.5 percent at age 65
Investment rate of return	7.0 percent, net of investment expenses, including inflation	7.0 percent, net of investment expenses, including inflation
Discount rate of return	7.0 percent	7.0 percent
Payroll increases	3.0 percent	3.0 percent
Cost-of-Living Adjustment (COLA)	0.0 percent	0.0 percent

For the June 30, 2022 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

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

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

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.
**Over a 30 year period, STRS's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

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

	1% Decrease (6.00%)	Current discount rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$ 28,957,683	$19,169,200	$10,891,174

Changes Between Measurement Date and Reporting Date - STRS approved a one-time 1.00 percent cost-of-living adjustment to eligible benefit recipients effective July 1, 2023. It is unknow what effect this change will have on the net pension liability.

Social Security System

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

B. DEFINED BENEFIT OPEB PLANS

School Employee Retirement System

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was $54,699.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was $54,699 for fiscal year 2023. Of this amount $54,699 is reported as a pension obligation payable.

State Teachers Retirement System

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. 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, 2023, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability or asset was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability or asset was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability or asset was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the net OPEB liability - prior measurement date	0.0796031%	0.0856059%	
Proportion of the net OPEB liability or asset - current measurement date	0.0798329%	0.0862307%	
Change in proportionate share	0.0002298%	0.0006248%	
Proportionate share of the net OPEB liability (asset)	$1,120,862	($2,232,801)	($1,111,939)
OPEB expense	($88,753)	($409,790)	($498,543)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 9,422	$ 32,368	$ 41,790
Changes of assumptions	178,288	95,110	273,398
Net difference between projected and actual earnings on pension plan investments	5,826	38,868	44,694
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	142,901	3,959	146,860
School District contributions subsequent to the measurement date	54,699	-	54,699
Total deferred outflows of resources	$ 391,136	$ 170,305	$ 561,441
Deferred inflows of resources			
Differences between expected and actual experience	$ 716,986	$ 335,324	$ 1,052,310
Changes of assumptions	460,122	1,583,270	2,043,392
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	68,603	22,025	90,628
Total deferred inflows of resources	$ 1,245,711	$ 1,940,619	$ 3,186,330

$54,699 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	SERS	STRS	Total
2024	$ (220,722)	$ (519,536)	$ (740,258)
2025	(213,147)	(509,676)	(722,823)
2026	(171,024)	(245,799)	(416,823)
2027	(99,943)	(100,390)	(200,333)
2028	(74,679)	(130,489)	(205,168)
Thereafter	(129,759)	(264,424)	(394,183)
Total	$ (909,274)	$ (1,770,314)	$ (2,679,588)

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, 2022, are presented below:

Wage inflation:	
Current measurement date	2.40 percent
Prior measurement date	2.40 percent
Future salary increases, including inflation:	
Current measurement date	3.25 percent to 13.58 percent
Prior measurement date	3.25 percent to 13.58 percent
Investment rate of return:	
Current measurement date	7.00 percent net of system expense, including inflation
Prior measurement date	7.00 percent net of system expense, including inflation
Municipal Bond Index Rate:	
Current measurement date	3.69 percent
Prior Measurement Date	1.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Current measurement date	4.08 percent
Prior Measurement Date	2.27 percent
Medical Trend Assumption:	
Current measurement date	7.00 to 4.40 percent
Prior measurement date	
Medicare	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent

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

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 10 A.

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08 percent. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to 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, 2022 and the June 30, 2021 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 counting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69 percent at June 30, 2022 and 1.92 percent at June 30, 2021.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08 percent) and higher (5.08 percent) than the current discount rate (4.08 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that point lower (6.00 percent decreasing to 3.40 percent) and higher (8.00 percent decreasing to 5.40 percent) than the current rate (7.00 percent decreasing to 4.40 percent).

	1% Decrease	Current discount rate	1% Increase
School District's proportionate share of the net OPEB liability	$ 1,392,128	$1,120,862	$901,877

	1% Decrease	Current trend rate	1% Increase
School District's proportionate share of the net OPEB liability	$ 864,379	$1,120,862	$1,455,862

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 actuarial valuation, compared with June 30, 2021 actuarial valuation, are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.50 percent	2.50 percent
Projected salary increases	Varies be service from 2.50 percent to 8.50 percent	12.50 percent at age 20 to 2.50 percent at age 65
Investment rate of return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Discount rate of return	7.00 percent	7.00 percent
Payroll increases	3.00 percent	3.00 percent
Cost-of-Living Adjustment (COLA)	0.00 percent	0.00 percent
Blended discount rate of return	n/a	n/a
Health care cost trends		

	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50 percent	3.94 percent	7.50 percent	4.00 percent
Medicare	-68.78 percent	3.94 percent	-16.18 percent	4.00 percent
Prescription Drug				
Pre-Medicare	9.00 percent	3.94 percent	6.50 percent	4.00 percent
Medicare	-5.47 percent	3.94 percent	29.98 percent	4.00 percent

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

For the June 30, 2022 actuarial valuation, 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.

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

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

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00 percent for the June 30, 2022 valuation.

Benefit Term Changes Since the Prior Measurement Date - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

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 10 A.

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care fund investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current discount rate	1% Increase
School District's proportionate share of the net OPEB asset	$ (2,064,165)	($2,232,801)	($2,377,251)

	1% Decrease	Current trend rate	1% Increase
School District's proportionate share of the net OPEB asset	$ (2,315,957)	($2,232,801)	($2,127,836)

NOTE 11 – COMPENSATED ABSENCES

Vacation Leave 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, is determined upon length of service. For fiscal year 2021, the superintendent and the treasurer were granted twenty days of vacation. Administrators may accrue vacation leave up to a maximum of three years prior to using the vacation leave days. Classified employees earn ten to twenty days of vacation per year, depending upon length of service (with a year defined as at least 120 days). Classified employees may accrue vacation up to a maximum of two years prior to using the vacation leave days. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. The administrative and classified personnel accumulate vacation based on the following schedule:

Administration Years Service	Classified Years Service	Vacation Days
1-6	1-6	10
7-14	7-14	15
15-beyond	15-beyond	20

Sick Leave/Severance Pay Each employee earns sick leave at the rate of one and one-fourth days per month to a maximum of fifteen days in any year. Effective February 17, 2012, classified employees' sick leave was converted to hours for accumulation and usage. Sick leave shall accumulate during active employment on a continuous year-to-year basis. Maximum sick leave accumulation for employees is 320 days. Retirement pay will be paid to an employee who retires on the basis of one-fourth (1/4) of the employee's total available accumulated sick leave days up to a maximum of 80 days at the daily rate at the time of retirement.

Retirement pay shall be paid within thirty calendar days of the effective date of the employee's retirement. For administrative employees and any teacher actively employed on or after June 30, 2005; retiring administrators and teachers shall have their severance pay placed into an annuity contract as an Employer Plan for Payment and Deferral of Severance Pay, and payment shall occur within thirty (30) calendar days of the effective date of the employee's retirement and shall be in lieu of payment being made directly to the retired employee. However, for administrators, the first thirty days of accumulated sick days must be paid and any remaining will be placed in the annuity.

NOTE 12 – RISK MANAGEMENT

A. General Risk

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 the Ohio School Plan (Plan).

General liability insurance is maintained in the amount of $4,000,000 for single occurrence and $6,000,000 in the aggregate. The School District maintains fleet insurance in the amount of $4,000,000 for any one accident or loss. The School District maintains replacement cost insurance on buildings and contents in the amount of $113,077,680.

Settled claims have not exceeded this commercial coverage in any of the past three years and there has been no significant reduction in insurance coverage from the prior fiscal year. For fiscal year 2023, the School District participated in the Plan which is an insurance purchasing pool. Each participant enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverage and deductibles selected by the participant.

B. Workers' Compensation

The School District participates in the Workers' Compensation Program provided by the State of Ohio. The Ohio system of workers' compensation has been in effect since 1913 providing compensation for work-related injuries, diseases and deaths. The system is maintained by the Ohio Bureau of Workers' Compensation and the Industrial Commission. The Bureau of Workers' Compensation determines basic premium rates by the cost of claims generated within the school's industry classification. New rates are effective each January 1. Premiums are paid annually.

C. Health Insurance

In July 1987, the School District joined the Ashtabula County Schools Council of Governments Employees Insurance Consortium to insure its medical and vision claims. The consortium currently includes eight member school districts. Contributions are determined by the consortium's board of directors. The program is operated as a full indemnity program with no financial liability (other than monthly premiums) or risk to the School District. The School District provides life insurance coverage through a commercial insurance policy.

The School District uses an internal service fund to record and report its self-funded dental insurance program. The claims liability of $34,500, reported in the fund at year end was estimated and is based on the requirements of GASB Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported.

Changes in the fund's claims liability during 2023 and 2022 were:

	Year ended 6/30/2023	Year ended 6/30/2022
Unpaid claims, beginning of fiscal year	$ 40,489	$ 10,600
Incurred claims (including IBNRs)	195,905	251,375
Claim payments	(201,894)	(221,486)
Unpaid claims, end of fiscal year	$ 34,500	$ 40,489

NOTE 13 – LONG-TERM DEBT AND OBLIGATIONS

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

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance	Due within one year
General Obligation Bonds					
2019 Refunding	$ 8,795,000	$ -	$ (1,000,000)	$ 7,795,000	$ 25,000
Premium	136,742	-	(26,788)	109,954	-
2012 School Improvement Refunding	1,005,000	-	-	1,005,000	1,005,000
Total bonds	9,936,742	-	(1,026,788)	8,909,954	1,030,000
Other Long-term obligations					
Compensated absences	1,772,831	3,818	(302,727)	1,473,922	276,632
Net Pension Liability					
STRS	10,945,482	8,223,718	-	19,169,200	-
SERS	2,857,441	1,350,496	-	4,207,937	-
Total net pension liability	13,802,923	9,574,214	-	23,377,137	-
Net OPEB Liability					
SERS	1,506,554	-	(385,692)	1,120,862	-
Total governmental long-term obligations	$ 27,019,050	$ 9,578,032	$ (1,715,207)	$ 34,881,875	$ 1,306,632

The School District pays compensated absences and pension/OPEB obligations related to employee benefits and compensation from the fund benefitting from their service.

School Improvement Refunding Bonds: On June 20, 2012, the School District issued $14,860,000 in refunding general obligation bonds with interest rates from 2.0% to 3.375% to refund $15,080,000 of outstanding 2003 School Improvement Bonds. In addition to the proceeds of the new bonds the School District paid an additional $1,500,000. The net proceeds of $14,548,108 (after payment of $311,892 in underwriting fees, insurance, and other issuance costs) was deposited into an irrevocable trust with an escrow agent to provide for future debt service payments of the portion of School Improvement Bonds refunded. These bonds are serial bonds. As a result of this issue, the School Improvement Bonds are considered to be defeased and the liability has been removed. The old debt had a final call date of December 1, 2013 in which the debt was repaid.

On September 4, 2019 the School District issued $8,910,000 in refunding general obligation bonds with interest rates from 2.5% to 3.085% to refund $8,945,000 of outstanding 2012 School Improvement Bonds. The net proceeds of $9,052,838 (after payment of $84,777 in issuance costs) were with an escrow agent to provide for debt service payments of the portion of the 2012 School Improvement Bonds refunded. These bonds were called and repaid on December 1, 2019. As a result of this issue, the old bonds are considered to be defeased and the liability has been removed. As a result of the refunding the net present value savings was $328,289.

Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total Payment
2024	$ 1,030,000	$ 239,352	$ 1,269,352
2025	1,010,000	210,196	1,220,196
2026	1,046,000	178,483	1,224,483
2027	1,078,000	145,720	1,223,720
2028	1,108,000	112,001	1,220,001
2029-2031	3,528,000	137,130	3,665,130
Total	$ 8,800,000	$ 1,022,882	$ 9,822,882

The Ohio Revised Code (ORC) provides that the net debt of a school district, whether or not approved by the voters, shall not exceed 9.0% of the total value of all property in the School District as listed and assessed for taxation. In addition, the unvoted net debt of a school district cannot exceed .1% of the total assessed value of property. The School District has no unvoted debt. The School District’s unvoted debt limit and margin is $400,454. The voted debt limit and margin at June 30, 2023 is $36,040,877 and $27,240,877.

NOTE 14 – JOINTLY GOVERNED ORGANIZATIONS AND PUBLIC ENTITY RISK POOLS

Northeast Ohio Management Information Network (NEOMIN) NEOMIN is a jointly governed organization among thirty 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. Payments to NEOMIN are made from the general fund. During the current fiscal year, the School District contributed $79,351 to NEOMIN.

Superintendents and Treasurers of the participating school districts are eligible to be voting members of the Governing Board which consists of ten members: the Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County school districts, three superintendents from Trumbull County districts, and a treasurer from each county. The degree of control exercised by any participating school district is limited to its representation on the Governing Board. A complete set of separate financial statements may be obtained from the Trumbull County Educational Service Center, 6000 Youngstown Warren Road, Niles, Ohio, 44446.

Ashtabula County Schools Council of Governments The School District's Superintendent is a member of the governing board of the Ashtabula County Schools Council of Governments, a separate entity formed for the purpose of purchasing health insurance. The School District has no ongoing financial interest or financial responsibility to the Council of Governments other than via participation by purchasing health insurance.

Ashtabula County Technical and Career Center The School District is a member of the Ashtabula County Technical and Career Center which has a seven-member board of education and is funded by levying millage and state and federal support. The School District has one member as a board representative. The School District has no ongoing financial interest or financial responsibility to the Ashtabula County Technical and Career Center.

NOTE 15 – CONTINGENCIES

The School District received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds.

In the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2023.

NOTE 16 – STATUTORY RESERVES

The School District is required by the state law to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. The School District may replace using general fund revenues with proceeds from various sources (offsets), such as bond or levy proceeds related to the acquisition, replacement, enhancement, maintenance or repair of permanent improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years.

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

The following information describes the change in the year-end set-aside amounts for capital maintenance.

	Capital Maintenance Reserve
Set-aside cash balance as of June 30, 2022	$ -
Current year set-aside requirement	475,251
Current year offset	(1,430,650)
Set-aside cash balance as of June 30, 2023	$ (955,399)
Cash balance carried forward to 2024	$ -

NOTE 17 – FUND DEFICITS

As of June 30, 2023, two funds had a deficit fund balance. The deficit was caused by the application of GAAP. The deficit balance will be eliminated by anticipated future intergovernmental revenues or other subsidies not recognized and recorded at June 30.

The following funds had a deficit balance:

Fund	Deficit Balance
Nonmajor special revenue fund:	
IDEA Part B	$ 77,473
Title I	37,222

NOTE 18 – TAX ABATEMENTS

Pursuant to Ohio Revised Code (ORC) Section 3735, the Village of Geneva-on-the Lake (the Village) established a Community Reinvestment Area (CRA) program. The CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing has traditionally been discouraged. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for the renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

The total value of the School District's share of taxes abated within the CRA for fiscal year 2023 was estimated at $24,610.

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Required Supplementary Information

Geneva Area City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

School Employees Retirement System (SERS) of Ohio	2023	2022	2021	2020
School District's proportion of the net pension liability	0.077798%	0.077444%	0.072726%	0.070079%
School District's proportionate share of the net pension liability	$ 4,207,937	$ 2,857,441	$ 4,810,251	$ 4,192,949
School District's covered payroll	$ 2,898,171	$ 2,591,071	$ 2,549,607	$ 3,033,496
School District's proportionate share of the net pension liability as a percentage of its covered payroll	145.19%	110.28%	188.67%	138.22%
Plan fiduciary net position as a percentage of total pension liability	75.82%	82.86%	68.55%	70.85%

State Teachers Retirement System (STRS) of Ohio	2023	2022	2021	2020
School District's proportion of the net pension liability	0.0862307%	0.0856059%	0.0848018%	0.0877366%
School District's proportionate share of the net pension liability	$ 19,169,200	$ 10,945,482	$ 20,519,011	$ 19,402,426
School District's covered payroll	$ 11,210,407	$ 10,563,207	$ 10,234,250	$ 10,788,743
School District's proportionate share of the net pension liability as a percentage of its covered payroll	170.99%	103.62%	200.49%	179.84%
Plan fiduciary net position as a percentage of total pension liability	78.88%	87.80%	75.50%	77.40%

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

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

2019	2018	2017	2016	2015	2014
0.075310%	0.077710%	0.082263%	0.083531%	0.083654%	0.083654%
$ 4,313,115	$ 4,643,025	$ 6,020,863	$ 4,766,348	$ 4,233,681	$ 4,974,635
$ 2,486,622	$ 2,552,429	$ 2,541,343	$ 2,514,750	$ 2,404,235	$ 2,425,506
173.45%	181.91%	236.92%	189.54%	176.09%	205.10%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

2019	2018	2017	2016	2015	2014
0.0935489%	0.0932440%	0.0935143%	0.0937433%	0.0947171%	0.0947171%
$ 20,569,300	$ 22,150,305	$ 31,302,055	$ 25,907,909	$ 23,038,465	$ 27,443,268
$ 10,697,436	$ 10,459,350	$ 10,007,457	$ 9,907,507	$ 9,875,246	$ 9,935,785
192.28%	211.78%	312.79%	261.50%	233.30%	276.21%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

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

	2023	2022	2021	2020	2019
School Employees Retirement System (SERS) of Ohio					
Contractually required contribution	$ 415,245	$ 405,744	$ 362,750	$ 356,945	$ 409,522
Contributions in relation to contractually required contribution	(415,245)	(405,744)	(362,750)	(356,945)	(409,522)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District covered payroll	$ 2,966,036	$ 2,898,171	$ 2,591,071	$ 2,549,607	$ 3,033,496
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	13.50%

	2023	2022	2021	2020	2019
State Teachers Retirement System (STRS) of Ohio					
Contractually required contribution	$ 1,598,160	$ 1,569,457	$ 1,478,849	$ 1,432,795	$ 1,510,424
Contributions in relation to contractually required contribution	(1,598,160)	(1,569,457)	(1,478,849)	(1,432,795)	(1,510,424)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District covered payroll	$ 11,415,429	$ 11,210,407	$ 10,563,207	$ 10,234,250	$ 10,788,743
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%

2018	2017	2016	2015	2014
$ 335,694	$ 357,340	$ 355,788	$ 331,444	$ 333,227
(335,694)	(357,340)	(355,788)	(331,444)	(333,227)
$ -	$ -	$ -	$ -	$ -
$ 2,486,622	$ 2,552,429	$ 2,541,343	$ 2,514,750	$ 2,404,235
13.50%	14.00%	14.00%	13.18%	13.86%

2018	2017	2016	2015	2014
$ 1,497,641	$ 1,464,309	$ 1,401,044	$ 1,387,051	$ 1,283,782
(1,497,641)	(1,464,309)	(1,401,044)	(1,387,051)	(1,283,782)
$ -	$ -	$ -	$ -	$ -
$ 10,697,436	$ 10,459,350	$ 10,007,457	$ 9,907,507	$ 9,875,246
14.00%	14.00%	14.00%	14.00%	13.00%

Geneva Area City School District

Required Supplementary Information

Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)

Last Seven Fiscal Years (1)

	2023	2022	2021	2020
School Employees Retirement System (SERS) of Ohio				
School District's proportion of the net OPEB liability	0.079833%	0.079603%	0.075859%	0.072022%
School District's proportionate share of the net OPEB liability	$ 1,120,862	$ 1,506,554	$ 1,648,667	$ 1,811,212
School District's covered payroll	$ 2,898,171	$ 2,591,071	$ 2,549,607	$ 3,033,496
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	38.67%	58.14%	64.66%	59.71%
Plan fiduciary net position as a percentage of total OPEB liability	30.34%	24.08%	18.17%	15.57%

	2023	2022	2021	2020
State Teachers Retirement System (STRS) of Ohio				
School District's proportion of the net OPEB asset or liability	0.0862307%	0.0856059%	0.0848018%	0.0877366%
School District's proportionate share of the net OPEB (asset) liability	$ (2,232,801)	$ (1,804,930)	$ (1,490,389)	$ (1,453,129)
School District's covered payroll	$ 11,210,407	$ 10,563,207	$ 10,234,250	$ 10,788,743
School District's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	-19.92%	-17.09%	-14.56%	-13.47%
Plan fiduciary net position as a percentage of total OPEB (asset) liability	230.73%	174.70%	182.10%	174.70%

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

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

2019	2018	2017
0.076841%	0.078941%	0.083533%
$ 2,131,766	$ 2,118,574	$ 2,381,008
$ 2,486,622	$ 2,552,429	$ 2,541,343
85.73%	83.00%	93.69%
13.57%	12.46%	11.49%

2019	2018	2017
0.0935489%	0.0932440%	0.0935143%
$ (1,503,235)	$ 3,638,036	$ 5,001,169
$ 10,697,436	$ 10,459,350	$ 10,007,457
-14.05%	34.78%	49.97%
176.00%	47.10%	37.30%

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

School Employees Retirement System (SERS) of Ohio	2023	2022	2021	2020	2019
Contractually required contribution (1)	$ 54,699	$ 53,585	$ 50,728	$ 50,585	$ 60,089
Contributions in relation to contractually required contribution	(54,699)	(53,585)	(50,728)	(50,585)	(60,089)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District covered payroll	$ 2,966,036	$ 2,898,171	$ 2,591,071	$ 2,549,607	$ 3,033,496
Contributions as a percentage of covered payroll	1.84%	1.85%	1.96%	1.98%	1.98%

State Teachers Retirement System (STRS) of Ohio	2023	2022	2021	2020	2019
Contractually required contribution	$ -	$ -	$ -	$ -	$ -
Contributions in relation to contractually required contribution	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District covered payroll	$ 11,415,429	$ 11,210,407	$ 10,563,207	$ 10,234,250	$ 10,788,743
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Includes surcharge

2018	2017	2016	2015	2014
$ 55,896	$ 43,409	$ 42,994	$ 65,558	$ 46,549
(55,896)	(43,409)	(42,994)	(65,558)	(46,549)
$ -	$ -	$ -	$ -	$ -
$ 2,486,622	$ 2,552,429	$ 2,541,343	$ 2,514,750	$ 2,404,235
2.25%	1.70%	1.69%	2.61%	1.94%

2018	2017	2016	2015	2014
$ -	$ -	$ -	$ -	$ 98,752
-	-	-	-	(98,752)
$ -	$ -	$ -	$ -	$ -
$ 10,697,436	$ 10,459,350	$ 10,007,457	$ 9,907,507	$ 9,875,246
0.00%	0.00%	0.00%	0.00%	1.00%

Net Pension Liability

School Employees Retirement System (SERS) of Ohio

Changes in benefit terms: There was no change in benefit terms for fiscal year 2023. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was no change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023. See the notes to the basic financial statements for the methods and assumptions in this calculation.

State Teachers Retirement System (STRS) of Ohio

Changes in benefit terms: There was no change in benefit terms for fiscal year 2023. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023. See the notes to the basic financial statements for the methods and assumptions in this calculation.

Net OPEB Liability

School Employees Retirement System (SERS) of Ohio

Changes in benefit terms: There was no change in benefit terms for fiscal year 2023. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023. See the notes to the basic financial statements for the methods and assumptions in this calculation.

State Teachers Retirement System (STRS) of Ohio

Changes in benefit terms: There was no change in benefit terms for fiscal year 2023. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023. See the notes to the basic financial statements for the methods and assumptions in this calculation.

GENEVA AREA CITY SCHOOL DISTRICT
ASHTABULA COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education and Workforce			
Child Nutrition Cluster:			
School Breakfast Program	10.553	2023	$101,311
COVID-19 - School Breakfast Program	10.553	2023	81,490
National School Lunch Program	10.555	2023	429,737
COVID-19 - National School Lunch Program	10.555	2023	429,498
Non-Cash Food Commodities	10.555	2023	87,368
Subtotal Child Nutrition Cluster			**1,129,404**
COVID-19 - Pandemic Electronic Benefit Transfer (P-EBT)	10.649	2023	**3,135**
Total U.S. Department of Agriculture			**1,132,539**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education and Workforce			
Title I - Grants to Local Educational Agencies	84.010A	2022	112,697
Title I - Grants to Local Educational Agencies	84.010A	2023	789,362
Subtotal Title I - Grants to Local Educational Agencies			**902,059**
Special Education Cluster:			
IDEA-B - Special Education Grants to State	84.027A	2022	80,200
IDEA-B - Special Education Grants to State	84.027A	2023	419,410
COVID-19 - IDEA-B - Special Education Grants to State	84.027X	2023	40,503
Special Education - Preschool Grants	84.173A	2022	7
Special Education - Preschool Grants	84.173A	2023	10,494
COVID-19 - Special Education - Preschool Grants	84.173X	2023	8,602
Subtotal - Special Education Cluster			**559,216**
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER) I	84.425D	2021	1,705
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER) II	84.425D	2022	143,218
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER) II	84.425D	2023	420,908
COVID-19 - American Rescue Plan (ARP) - ESSER	84.425U	2023	555,087
COVID-19 - ARP - ESSER Homeless Children and Youth	84.425W	2022	6,229
COVID-19 - ARP - ESSER Homeless Children and Youth	84.425W	2023	3,550
Subtotal - ESSER			**1,130,697**
Total U.S. Department of Education			**2,591,972**
U.S. DEPARTMENT OF TREASURY:			
Passed Through the Ohio Department of Budget and Management			
COVID-19 - State and Local Fiscal Recovery Funds (SLFRF)	21.027	2023	**250,000**
Total U.S. Department of Treasury			**250,000**
U.S. FEDERAL COMMUNICATIONS COMMISSION			
Direct Funding Through the Federal Communications Commission			
COVID-19 - Emergency Connectivity Fund Program	32.009	2023	**10,475**
Total U.S. Federal Communications Commission			**10,475**
Total Expenditures of Federal Awards			**$3,984,986**

The accompanying notes are an integral part of this schedule.

GENEVA AREA CITY 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, 2023

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - TRANSFERS BETWEEN FEDERAL PROGRAMS

During fiscal year 2023, the District made allowable ESEA flexibility transfers of $112,335 from the Title II-A (AL #84.367) program to the Title I (AL #84.010) program and transfers of $57,286 from the Title IV-A (AL #84.424) program to the Title I (AL #84.010) program. The Schedule shows the District spent approximately $112,335 on the Title II-A program and $57,286 on the Title IV-A program. The Title II-A and Title IV-A programs transfers are excluded on the Schedule. The amount transferred to the Title I program is included as Title I expenditures when disbursed. The following table shows the gross amounts drawn for the Title II-A and Title IV-A programs during fiscal year 2023 and the amounts transferred to the Title I program.

Title II-A	$ 112,335
Transfer to Title I	(112,335)
Total Title II-A	**$ 0**
Title IV-A	$ 57,286
Transfer to Title I	(57,286)
Total Title IV-A	**$ 0**

OHIO AUDITOR OF STATE
KEITH FABER

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

Geneva Area City School District
Ashtabula County
135 South Eagle Street
Geneva, Ohio 44041

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 Geneva Area City School District, Ashtabula County, (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 12, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our 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
Auditor of State
Columbus, Ohio

March 12, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

Geneva Area City School District
Ashtabula County
135 South Eagle Street
Geneva, Ohio 44041

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Geneva Area City School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Geneva Area City School District's major federal programs for the year ended June 30, 2023. Geneva Area City School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Geneva Area City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

March 12, 2024

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GENEVA AREA CITY SCHOOL DISTRICT
ASHTABULA COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023

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# 84.010A – Title I; AL# 10.553/10.555 – Nutrition Cluster; AL# 84.425D – ESSER; AL# 84.425U – ARP ESSER
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE
KEITH FABER

GENEVA AREA CITY 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 3/28/2024

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