OHIO AUDITOR OF STATE
KEITH FABER

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY
JUNE 30, 2023

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Ravenna City School District
Portage County
534 Summit Street
Ravenna, Ohio 44266

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Ravenna City School District, Portage County, Ohio as of June 30, 2023, and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund and Elementary and Secondary School Emergency 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 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

April 30, 2024

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RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- In total, net position of governmental activities increased $4,897,962 from fiscal year 2022's net position.
- General revenues accounted for $29,104,136 in revenue or 68.79% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $13,206,202 or 31.21% of total revenues of $42,310,338.
- The District had $37,412,376 in expenses related to governmental activities; $13,206,202 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $29,104,136 were adequate to provide for these programs.
- The District's major governmental fund is the general fund. The general fund had $29,308,862 in revenues and $27,709,789 in expenditures and other financing uses. During fiscal year 2023, the general fund's fund balance increased $1,599,073 from a fund deficit of $1,232,715 to a balance of $366,358.
- The ESSER fund had $5,230,269 in revenues and $5,733,648 in expenditures. During fiscal year 2023, the ESSER fund's fund balance decreased $503,379 from a fund deficit of $80,428 to a fund deficit balance of $583,807.
- The permanent improvement fund had $3,331,314 in revenues and other financing sources and $806,238 in expenditures and other financing uses. During fiscal year 2023, the permanent improvement fund's fund balance increased $2,525,076 from a fund balance of $688,038 to a balance of $3,213,114.

Using the Basic Financial Statements (BFS)

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

The *statement of net position* and *statement of activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund, the ESSER fund, and the permanent improvement fund are by far the most significant funds, and the only governmental funds reported as major funds.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

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

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

In the statement of net position and the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting which measures cash and all other *financial assets* than can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government 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 differences) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* is reconciled in the basic financial statements.

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB liability/asset.

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for fiscal years 2023 and 2022.

	Net Position - Governmental Activities	
	2023	2022
Assets		
Current and other assets	$ 23,776,244	$ 22,221,916
Capital assets, net	35,664,762	34,982,144
Total assets	59,441,006	57,204,060
Deferred outflows of resources		
Unamortized deferred charges	58,646	78,210
Pension	7,153,435	6,982,258
OPEB	657,075	799,268
Total deferred outflows	7,869,156	7,859,736
Liabilities		
Current liabilities	4,713,947	4,943,767
Long-term liabilities:		
Due within one year	1,355,505	1,482,389
Due in more than one year:		
Net pension liability	29,850,008	17,909,903
Net OPEB liability	1,669,960	2,403,081
Other amounts	12,595,873	13,345,834
Total liabilities	50,185,293	40,084,974
Deferred inflows of resources		
Property taxes	10,505,838	11,661,183
Unamortized deferred charges	214,166	235,494
Leases	171,484	329,778
Pension	3,371,884	15,148,393
OPEB	4,525,526	4,165,965
Total deferred inflows	18,788,898	31,540,813
Net Position		
Net investment in capital assets	23,924,193	21,259,987
Restricted	5,292,744	4,350,349
Unrestricted (deficit)	(30,880,966)	(32,172,327)
Total net position (deficit)	$ (1,664,029)	$ (6,561,991)

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

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer.* State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

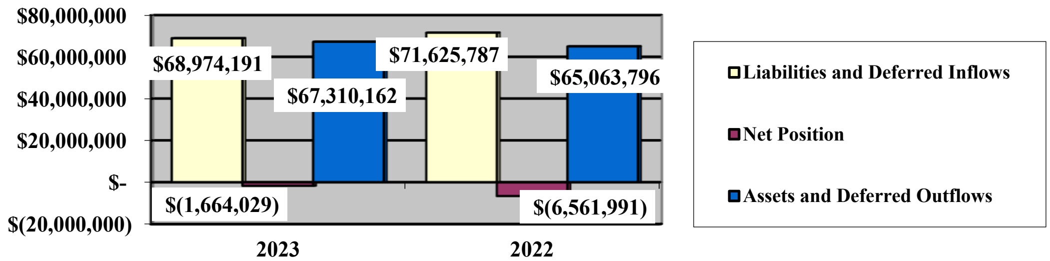
As a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting.

At year-end, capital assets represented 60% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. The District's net investment in capital assets at June 30, 2023, was $23,924,193. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, 5,292,744, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of $30,880,966.

The graphs below show the District's governmental activities assets and deferred outflows, liabilities and deferred inflows, and net position at June 30, 2023 and June 30, 2022.

Governmental Activities



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

Change in Net Position

	Governmental Activities 2023	Governmental Activities 2022
Revenues		
Program revenues:		
Charges for services and sales	$ 880,805	$ 666,777
Operating grants and contributions	11,595,021	8,646,047
Capital grants and contributions	730,376	69,500
General revenues:		
Property taxes	14,872,201	12,793,014
Payments in lieu of taxes	1,949	1,003
Grants and entitlements	13,970,670	13,236,484
Investment earnings	59,270	20,459
Miscellaneous	200,046	81,221
Total revenues	42,310,338	35,514,505

- Continued

Change in Net Position

	Governmental Activities 2023	Governmental Activities 2022
Expenses		
Program expenses:		
Instruction:		
Regular	$ 8,220,633	$ 9,059,259
Special	8,590,364	7,456,515
Vocational	209,313	245,896
Other	3,860,057	1,028,403
Support services:		
Pupil	2,660,684	2,460,264
Instructional staff	953,474	982,656
Board of education	193,424	199,875
Administration	2,385,710	2,127,974
Fiscal	707,075	673,468
Business	273,890	255,893
Operations and maintenance	4,667,251	2,913,473
Pupil transportation	1,642,031	1,678,580
Central	253,468	553,498
Operation of non-instructional services:		
Food service operations	1,411,605	1,332,667
Other non-instructional services	55,208	26,452
Extracurricular activities	1,063,499	881,245
Interest and fiscal charges	264,690	317,979
Total expenses	37,412,376	32,194,097
Special items	-	1,897,000
Change in net position	4,897,962	5,217,408
Net position (deficit) at beginning of year	(6,561,991)	(11,779,399)
Net position (deficit) at end of year	$ (1,664,029)	$ (6,561,991)

Governmental Activities

Net position of the District's governmental activities increased $4,897,962. Total governmental expenses of $37,412,376 were offset by program revenues of $13,206,202 and general revenues of $29,104,136. Program revenues supported 35.30% of the total governmental expenses.

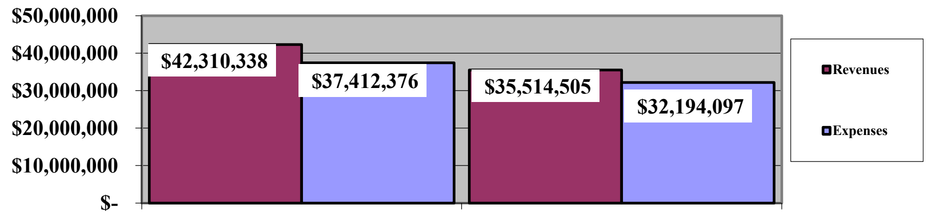
Expenses of the governmental activities increased $5,218,279 or 16.21%. These expenses were larger in fiscal year 2023 due to ESSER related expenses.

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These revenue sources represent 68.17% of total governmental revenue.

The largest expense of the District is for instructional programs. Instruction expenses totaled $20,880,367 or 55.81% of total governmental expenses for fiscal year 2023.

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2023 and 2022:

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. The table below shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2023 and 2022.

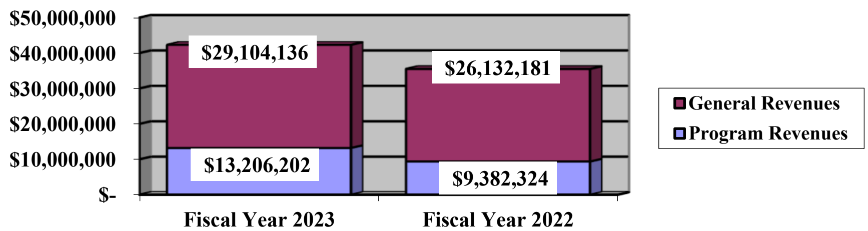
Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program expenses				
Instruction:				
Regular	$ 8,220,633	$ 7,659,760	$ 9,059,259	$ 8,650,246
Special	8,590,364	4,989,795	7,456,515	3,851,584
Vocational	209,313	193,978	245,896	232,855
Other	3,860,057	917,563	1,028,403	623,699
Support services:				
Pupil	2,660,684	2,005,346	2,460,264	1,910,837
Instructional staff	953,474	808,131	982,656	837,072
Board of education	193,424	193,424	199,875	199,875
Administration	2,385,710	2,385,710	2,127,974	2,127,974
Fiscal	707,075	707,075	673,468	673,468
Business	273,890	273,890	255,893	255,893
Operations and maintenance	4,667,251	1,386,011	2,913,473	840,093
Pupil transportation	1,642,031	1,225,614	1,678,580	1,398,695
Central	253,468	220,468	553,498	539,050
Operations of non-instructional services:				
Other non-instructional services	55,208	45,898	26,452	19,017
Food service operations	1,411,605	107,441	1,332,667	(297,587)
Extracurricular activities	1,063,499	821,380	881,245	631,023
Interest and fiscal charges	264,690	264,690	317,979	317,979
Total expenses	$ 37,412,376	$ 24,206,174	$ 32,194,097	$ 22,811,773

The dependence upon tax and other general revenues for governmental activities is apparent; as 65.90% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 64.70%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio, as a whole, are by far the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2023 and 2022.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of $4,265,295, which is more than last year's total of $2,252,007. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2023 and 2022.

	Fund Balance June 30, 2023	Fund Balance June 30, 2022	Change	Percentage Change
General	$ 366,358	$ (1,232,715)	$ 1,599,073	129.72 %
ESSER	(583,807)	(80,428)	(503,379)	(625.88) %
Permanent Improvement	3,213,114	688,038	2,525,076	367.00 %
Other Governmental	1,269,630	2,877,112	(1,607,482)	(55.87) %
Total	$ 4,265,295	$ 2,252,007	$ 2,013,288	89.40 %

General Fund

The District's general fund balance increased $1,599,073 from a deficit fund balance of $1,232,715 to a fund balance of $366,358.

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

	2023 Amount	2022 Amount	Change	Percentage Change
Revenues				
Taxes	$ 12,272,982	$ 10,570,947	$ 1,702,035	16.10 %
Payment in lieu of taxes	1,949	1,003	946	94.32 %
Tuition	513,860	313,377	200,483	63.98 %
Earnings on investments	28,171	16,552	11,619	70.20 %
Intergovernmental	16,066,110	15,435,873	630,237	4.08 %
Other revenues	425,790	304,871	120,919	39.66 %
Total	$ 29,308,862	$ 26,642,623	$ 2,666,239	10.01 %
Expenditures				
Instruction	$ 15,858,288	$ 17,229,026	$ (1,370,738)	(7.96) %
Support services	11,049,633	11,208,229	(158,596)	(1.41) %
Non-instructional services	-	254	(254)	(100.00) %
Extracurricular activities	700,998	594,499	106,499	17.91 %
Debt service	25,870	-	25,870	100 %
Total	$ 27,634,789	$ 29,032,008	$ (1,397,219)	(4.81) %

Revenues of the general fund increased $2,666,239 or 10.01% from fiscal year 2022. Property taxes increased $1,702,035 or 16.10% primarily due to a fluctuation in the amount of taxes available as an advance to the District at June 30, 2023 and June 30, 2022. Intergovernmental revenue increased $630,237 or 4.08% due primarily to a increase in grant receipts. Tuition revenue increased $200,483 or 63.98% due to an increase in foundation and open enrollment revenues. All other revenues were consistent with the prior fiscal year.

Expenditures of the general fund decreased $1,397,219 or 4.81%. Instructional service expenditures decreased by $1,370,738 or 7.96% primarily due to the availability of ESSER funds for the continuity of service during the COVID-19 pandemic. The salaries and benefits of 18 elementary school teachers were paid with federal ESSER funds in fiscal year 2023. Support service expenditures decreased by $158,596 or 1.41% due primarily to the availability of ESSER funds for the purchase of curriculum support services materials and professional development and due to vacancies and a reduction of overtime costs in operations and maintenance activity in fiscal year 2023. All other expenditures were consistent with the prior year.

The ESSER fund had $5,230,269 in revenues and $5,733,648 in expenditures. During fiscal year 2023, the ESSER fund's fund balance decreased $503,379 from a fund deficit of $80,428 to a fund deficit balance of $583,807.

The permanent improvement fund had $3,331,314 in revenues and other financing sources and $806,238 in expenditures and other financing uses. During fiscal year 2023, the permanent improvement fund's fund balance increased $2,525,076 from a fund balance of $688,038 to a balance of $3,213,114.

General Fund Budgeting Highlights

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

For the general fund, original budgeted revenues and other financing sources amounted to $27,158,356 and were increased to $29,270,411 for the final budget and other financing sources. Actual revenues and other financing sources for fiscal year 2023 were $29,286,816. This represents a $16,405 increase from final budgeted revenues.

General fund original appropriations (appropriated expenditures including other financing uses when applicable) of $27,279,233 were increased to $30,317,451 for the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2023 totaled $29,546,716, which was $770,735 less than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the District had $35,664,762 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities.

The following table shows June 30, 2023 balances compared to June 30, 2022:

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2023	2022
Land	$ 74,984	$ 74,984
Construction in progress	2,773,724	1,902,660
Land improvements	1,167,931	1,345,597
Buildings and improvements	29,780,399	30,687,449
Furniture and equipment	1,143,653	420,507
Vehicles	724,071	550,947
Total	$ 35,664,762	$ 34,982,144

Total additions to capital assets for 2023 were $2,043,482. Depreciation expense for fiscal 2023 was $1,357,926. Overall, capital assets of the District increased $682,618.

See Note 9 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

At June 30, 2023, the District had $11,047,452 in general obligation bonds and direct borrowing finance purchase agreements outstanding. Of the outstanding obligations total, $1,160,287 is due within one year and $9,887,165 is due within greater than one year.

The following table summarizes the bonds, notes and capital lease obligations outstanding.

Outstanding Debt, at Year End

	Governmental Activities 2023	Governmental Activities 2022
General obligation bonds	$ 9,793,619	$ 10,592,522
Tax anticipation note	-	290,000
Finance purchase agreements - direct borrowing	1,253,833	1,590,833
Total	$ 11,047,452	$ 12,473,355

See Note 10 to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

Local property taxes have remained consistent for the District and we are starting to see overall property values rises with the most recent re-evaluations taking place in Portage County. This is a reflection of the trends both locally and at the State level. The District will see minimal increases from the property value increase due to not being on the 20-mill floor and the growth restrictions for school district property taxes still in place from the passage of HB 920 in 1976.

Enrollment has been declining over the previous fiscal years. The District is currently projecting enrollment to continue to decline slightly with the hopes that we are starting to find the bottom of this trend. The District continues to be hurt by current open enrollment standards and students attending STEM and charter schools. The administration continues to strive to right size the District, balancing revenue, expenditures and student needs.

The District was able to move permanent improvement (P/I) expenditures to the new P/I levy that was passed in 2017 and renewed in 2021. This has helped alleviate the burden on the General Fund. On November 2, 2021, the District's voters renewed the permanent improvement levy for an additional five years, beginning with collections in 2023.

The District will continue to look at all possible options to help alleviate the upcoming financial challenges and pursue alternative funding sources to supplement the Districts operating budget. These strategies will give the District the ability to improve and stabilize the current financial position. Ultimately our goal, as we navigate these financial difficulties, is to continue to improve student academic performance and provide a safe and productive atmosphere for our students and staff.

The District is making strides to address deficit spending; maximizing federal and state grant resources, aligning full time positions with declining enrollment, and offering a one-time employee severance plan in 2023. The District will again ask the community for a new Current Expense levy in November 2023 in order to generate new operating revenue to address deficit spending, since the voters have not approved a new operating levy since 2005. The Board of Education is committed to aligning resource to allow the district to meet our strategic plan goals of providing an inclusive learning community, embracing diversity and equipping all students for success.

In fiscal year 2023 the District conducted a staffing audit and an enrollment study and implemented a reduction in force due to declining enrollment. As a result, 14.5 FTEs were eliminated. The estimated savings to General Fund personal costs is estimated to be $635,250 in fiscal year 2024.

In addition, the District offered eligible employees a one-time employee severance plan at the end of the 2022-23 school year. This cost savings measure replaced higher salaries with lower entry level salaries, by replacing 5 retirees with teachers who have fewer years of experience. This resulted in a 5-year cumulative savings amount of $1,256,950 in salaries and benefits. The district contracted with Educators Preferred Corporation to provide the employee severance plan.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information Candi Lukat, Treasurer, Ravenna City School District, 534 Summit Street, Ravenna, Ohio 44266.

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
Assets:	
Equity in pooled cash and investments	$ 5,721,632
Receivables:	
Property taxes	14,127,704
Accounts	23,484
Accrued interest	420
Intergovernmental	931,764
Leases	175,793
Prepayments	30,391
Inventory held for resale	20,397
Net OPEB asset	2,744,659
Capital assets:	
Nondepreciable capital assets	2,848,708
Depreciable capital assets, net	32,816,054
Capital assets, net	35,664,762
Total assets	59,441,006
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	58,646
Pension	7,153,435
OPEB	657,075
Total deferred outflows of resources	7,869,156
Liabilities:	
Accounts payable	266,699
Contracts payable	42,917
Retainage payable	190,115
Accrued wages and benefits payable	3,494,771
Intergovernmental payable	100,924
Pension and postemployment benefits payable	521,307
Accrued interest payable	96,202
Unearned revenue	1,012
Long-term liabilities:	
Due within one year	1,355,505
Due in more than one year:	
Net pension liability	29,850,008
Net OPEB liability	1,669,960
Other amounts due in more than one year	12,595,873
Total liabilities	50,185,293
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	10,505,838
Unamortized deferred charges on debt refunding	214,166
Leases	171,484
Pension	3,371,884
OPEB	4,525,526
Total deferred inflows of resources	18,788,898
Net position:	
Net investment in capital assets	23,924,193
Restricted for:	
Capital projects	3,284,059
Classroom facilities maintenance	402,371
Debt service	203,247
State funded programs	303,043
Federally funded programs	233,033
Food service operations	158,844
Extracurricular	61,561
Other purposes	646,586
Unrestricted (deficit)	(30,880,966)
Total net position (deficit)	$ (1,664,029)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction:					
Regular	$ 8,220,633	$ 432,707	$ 128,166	$ -	$ (7,659,760)
Special	8,590,364	81,153	3,519,416	-	(4,989,795)
Vocational	209,313	-	15,335	-	(193,978)
Other	3,860,057	-	2,942,494	-	(917,563)
Support services:					
Pupil	2,660,684	-	655,338	-	(2,005,346)
Instructional staff	953,474	-	145,343	-	(808,131)
Board of education	193,424	-	-	-	(193,424)
Administration	2,385,710	-	-	-	(2,385,710)
Fiscal	707,075	-	-	-	(707,075)
Business	273,890	-	-	-	(273,890)
Operations and maintenance	4,667,251	173,204	2,593,384	514,652	(1,386,011)
Pupil transportation	1,642,031	-	263,443	152,974	(1,225,614)
Central	253,468	-	33,000	-	(220,468)
Operation of non-instructional services:					
Food service operations	1,411,605	45,239	1,258,925	-	(107,441)
Other non-instructional services	55,208	-	9,310	-	(45,898)
Extracurricular activities	1,063,499	148,502	30,867	62,750	(821,380)
Interest and fiscal charges	264,690	-	-	-	(264,690)
Totals	$ 37,412,376	$ 880,805	$ 11,595,021	$ 730,376	(24,206,174)

General revenues:	
Property taxes levied for:	
General purposes	12,301,815
Debt service	1,045,823
Capital outlay	1,398,634
Classroom facilities maintenance	125,929
Payments in lieu of taxes	1,949
Grants and entitlements not restricted to specific programs	13,970,670
Investment earnings	59,270
Miscellaneous	200,046
Total general revenues	29,104,136
Change in net position	4,897,962
Net position (deficit) at beginning of year	(6,561,991)
Net position (deficit) at end of year	$ (1,664,029)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	Elementary and Secondary School Emergency	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash					
and investments	$ 1,316,517	$ -	$ 2,890,416	$ 1,514,699	$ 5,721,632
Receivables:					
Property taxes	11,449,279	-	1,377,442	1,300,983	14,127,704
Accounts	23,484	-	-	-	23,484
Accrued interest	420	-	-	-	420
Intergovernmental	336,373	370,163	-	225,228	931,764
Leases	175,793	-	-	-	175,793
Prepayments	30,391	-	-	-	30,391
Inventory held for resale	-	-	-	20,397	20,397
Due from other funds	1,006	-	-	-	1,006
Total assets	$ 13,333,263	$ 370,163	$ 4,267,858	$ 3,061,307	$ 21,032,591
Liabilities:					
Accounts payable	$ 180,775	$ -	$ 9,369	$ 76,555	$ 266,699
Contracts payable	-	42,917	-	-	42,917
Retainage payable	-	190,115	-	-	190,115
Accrued wages and benefits payable	2,877,371	291,139	-	326,261	3,494,771
Compensated absences payable	40,794	3,529	-	24,953	69,276
Early retirement incentive payable	70,000	20,000	-	-	90,000
Intergovernmental payable	93,264	3,210	-	4,450	100,924
Pension and postemployment benefits payable	439,248	32,897	-	49,162	521,307
Due to other funds	-	-	-	1,006	1,006
Unearned revenue	-	-	-	1,012	1,012
Total liabilities	3,701,452	583,807	9,369	483,399	4,778,027
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	8,494,235	-	975,909	1,035,694	10,505,838
Delinquent property tax revenue not available	583,527	-	69,466	47,356	700,349
Intergovernmental revenue not available	16,207	370,163	-	225,228	611,598
Leases	171,484	-	-	-	171,484
Total deferred inflows of resources	9,265,453	370,163	1,045,375	1,308,278	11,989,269
Fund balances:					
Nonspendable:					
Prepaids	30,391	-	-	-	30,391
Unclaimed monies	10,552	-	-	-	10,552
Restricted:					
Debt service	-	-	-	252,093	252,093
Capital improvements	-	-	3,213,114	1,479	3,214,593
Classroom facilities maintenance	-	-	-	402,371	402,371
Food service operations	-	-	-	192,594	192,594
State funded programs	-	-	-	303,042	303,042
Extracurricular	-	-	-	61,561	61,561
Other purposes	-	-	-	65,680	65,680
Committed:					
Capital improvements	-	-	-	216,034	216,034
Assigned:					
Student instruction	146,036	-	-	-	146,036
Student and staff support	129,848	-	-	-	129,848
Unassigned (deficit)	49,531	(583,807)	-	(225,224)	(759,500)
Total fund balances (deficit)	366,358	(583,807)	3,213,114	1,269,630	4,265,295
Total liabilities, deferred inflows and fund balances	$ 13,333,263	$ 370,163	$ 4,267,858	$ 3,061,307	$ 21,032,591

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

Total governmental fund balances		$ 4,265,295
Amounts reported for governmental activities on 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.		35,664,762
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 700,349	
Intergovernmental receivable	611,598	
Total		1,311,947
Unamortized premiums on bonds issued are not recognized in the funds.		(304,565)
Unamortized amounts on refundings are not recognized in the funds.		(155,520)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(96,202)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	7,153,435	
Deferred inflows - pension	(3,371,884)	
Net pension liability	(29,850,008)	
Deferred outflows - OPEB	657,075	
Deferred inflows - OPEB	(4,525,526)	
Net OPEB asset	2,744,659	
Net OPEB liability	(1,669,960)	
Total		(28,862,209)
Long-term liabilities, including bonds, a loan, and financing agreements, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(9,793,619)	
Finance purchase agreements	(1,253,833)	
Early retirement obligation	(290,000)	
Compensated absences	(2,150,085)	
Total		(13,487,537)
Net position (deficit) of governmental activities		$ (1,664,029)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General	Elementary and Secondary School Emergency	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	$ 12,272,982	$ -	$ 1,395,625	$ 1,170,797	$ 14,839,404
Intergovernmental	16,066,110	5,230,269	40,976	4,366,163	25,703,518
Earnings on investments	28,171	-	22,104	8,995	59,270
Tuition and fees	513,860	-	-	-	513,860
Extracurricular	46,179	-	-	94,658	140,837
Rental income	173,200	-	-	1,300	174,500
Charges for services	-	-	-	45,243	45,243
Contributions and donations	18,434	-	-	64,035	82,469
Payment in lieu of taxes	1,949	-	-	-	1,949
Miscellaneous	187,977	-	-	186,598	374,575
Total revenues	29,308,862	5,230,269	1,458,705	5,937,789	41,935,625
Expenditures:					
Current:					
Instruction:					
Regular	7,765,587	-	-	157,203	7,922,790
Special	7,237,935	-	-	1,453,386	8,691,321
Vocational	218,369	-	-	-	218,369
Other	636,397	3,051,444	-	4,762	3,692,603
Support services:					
Pupil	2,264,767	-	-	354,638	2,619,405
Instructional staff	768,700	-	-	150,237	918,937
Board of education	188,113	-	-	-	188,113
Administration	2,290,807	-	-	-	2,290,807
Fiscal	648,105	-	21,916	23,973	693,994
Business	261,846	-	-	-	261,846
Operations and maintenance	2,569,422	2,648,195	84,203	376,377	5,678,197
Pupil transportation	1,492,274	34,009	133,553	152,974	1,812,810
Central	565,599	-	196,593	34,113	796,305
Operation of non-instructional services:					
Food service operations	-	-	-	1,410,504	1,410,504
Other non-instructional services	-	-	-	36,976	36,976
Extracurricular activities	700,998	-	-	234,777	935,775
Debt service:					
Principal retirement	-	-	179,500	1,246,403	1,425,903
Interest and fiscal charges	25,870	-	52,675	249,137	327,682
Total expenditures	27,634,789	5,733,648	668,440	5,885,460	39,922,337
Excess (deficiency) of revenues over (under) expenditures	1,674,073	(503,379)	790,265	52,329	2,013,288
Other financing sources (uses):					
Transfers in	-	-	1,872,609	296,144	2,168,753
Transfers (out)	(75,000)	-	(137,798)	(1,955,955)	(2,168,753)
Total other financing sources (uses)	(75,000)	-	1,734,811	(1,659,811)	-
Net change in fund balances	1,599,073	(503,379)	2,525,076	(1,607,482)	2,013,288
Fund balances (deficit) at beginning of year	(1,232,715)	(80,428)	688,038	2,877,112	2,252,007
Fund balances (deficit) at end of year	$ 366,358	$ (583,807)	$ 3,213,114	$ 1,269,630	$ 4,265,295

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds		$ 2,013,288
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	$ 2,043,482	
Current year depreciation	(1,357,926)	
Total		685,556
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(2,938)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	32,797	
Intergovernmental	341,916	
Total		374,713
Repayment of bond, note, loan and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		1,425,903
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	11,516	
Amortization of bond premiums	49,712	
Amortization of deferred charges	1,764	
Total		62,992
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	2,691,377	
OPEB	88,933	
Total		2,780,310
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(2,683,796)	
OPEB	682,133	
Total		(2,001,663)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(440,199)
Change in net position of governmental activities		$ 4,897,962

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	**Final**	**Actual**	
Revenues:				
Property taxes	$ 9,887,285	$ 10,158,719	$ 10,951,639	$ 792,920
Intergovernmental	16,112,069	16,475,136	15,831,097	(644,039)
Investment earnings	12,723	13,010	21,043	8,033
Tuition and fees	530,145	542,091	513,860	(28,231)
Rental income	159,044	162,627	179,110	16,483
Contributions and donations	1,060	1,084	1,025	(59)
Miscellaneous	63,723	65,159	181,607	116,448
Total revenues	26,766,049	27,417,826	27,679,381	261,555
Expenditures:				
Current:				
Instruction:				
Regular	8,615,674	9,106,920	8,006,860	1,100,060
Special	6,381,140	6,744,978	7,103,445	(358,467)
Vocational	208,269	220,144	227,592	(7,448)
Other	683,729	722,714	699,574	23,140
Support services:				
Pupil	2,042,625	2,159,091	2,392,475	(233,384)
Instructional staff	697,788	720,345	776,445	(56,100)
Board of education	206,762	218,551	211,963	6,588
Administration	2,258,846	2,387,640	2,302,819	84,821
Fiscal	626,348	662,061	653,121	8,940
Business	252,863	267,281	262,389	4,892
Operations and maintenance	2,430,987	2,569,596	2,579,329	(9,733)
Pupil transportation	1,431,969	1,513,617	1,508,784	4,833
Central	756,819	799,971	597,501	202,470
Extracurricular activities	590,808	624,469	624,346	123
Debt service:				
Principal	-	1,500,000	1,500,000	-
Interest and fiscal charges	-	25,073	25,073	-
Total expenditures	27,184,627	30,242,451	29,471,716	770,735
Excess of expenditures over revenues	(418,578)	(2,824,625)	(1,792,335)	1,032,290
Other financing sources (uses):				
Refund of prior year's expenditures	392,307	352,585	87,176	(265,409)
Transfers in	-	-	2,221	2,221
Transfers (out)	(94,606)	(75,000)	(75,000)	-
Advances in	-	-	7,200	7,200
Tax anticipation note issuance	-	1,500,000	1,500,000	-
Sale of capital assets	-	-	10,838	10,838
Total other financing sources (uses)	297,701	1,777,585	1,532,435	(245,150)
Net change in fund balance	(120,877)	(1,047,040)	(259,900)	787,140
Fund balance at beginning of year	1,047,182	1,047,182	1,047,182	-
Fund balance at end of year	$ 926,305	$ 142	$ 787,282	$ 787,140

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ELEMENTARY AND SECONDARY SCHOOL EMERGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues:				
Intergovernmental	$ 7,218,500	$ 5,963,432	$ 5,998,229	$ 34,797
Total revenue	7,218,500	5,963,432	5,998,229	34,797
Expenditures:				
Current:				
Instruction:				
Other	3,352,857	2,777,019	2,777,019	-
Support services:				-
Operations and maintenance	3,806,082	3,152,404	3,152,404	-
Pupil transportation	41,061	34,009	34,009	-
Total expenditures	7,200,000	5,963,432	5,963,432	-
Net change in fund balance	18,500	-	34,797	34,797
Fund balance at beginning of year	(34,797)	(34,797)	(34,797)	-
Fund balance at end of year	$ (16,297)	$ (34,797)	$ -	$ 34,797

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	Private-Purpose Trust
	Scholarship
Assets:	
Equity in pooled cash	
and investments	$ 54,790
Cash and investments in segregated accounts	987,795
Receivables:	
Accrued interest	4,778
Notes	295,389
Total assets	1,342,752
Net position:	
Restricted for individuals, organizations and other governments	1,342,752
Total net position	$ 1,342,752

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Private-Purpose Trust
	Scholarship
Additions:	
Earnings on investments	$ (2,663)
Contributions and donations	14,694
Total additions	12,031
Deductions:	
Scholarships awarded	5,368
Total deductions	5,368
Change in net position	6,663
Net position at beginning of year	1,336,089
Net position at end of year	$ 1,342,752

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Ravenna City School District (the "District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four-year terms. The District employs 208 certified and 144 non-certified employees to provide services to approximately 2,040 students.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34”. The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government’s financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

JOINTLY GOVERNED ORGANIZATIONS

Maplewood Area Joint Vocational School
Maplewood Area Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of two representatives from each of the ten participating school districts’ elected boards, which possess its own budgeting and taxing authority. The jointly governed organization was formed for the purpose of providing vocational instruction to juniors and seniors in the participating districts. To obtain financial information, write to the Treasurer, Maplewood Area Joint Vocational School, at 7075 State Route 88, Ravenna, Ohio 44266-9131.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Stark Portage Area Computer Consortium (SPARCC)
SPARCC is a jointly governed organization comprised of 28 school districts. 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 for member districts. Each of the governments of these districts supports SPARCC based upon a per pupil charge dependent upon the software package utilized. The SPARCC assembly consists of a superintendent or designated representative from each participating district and a representative from the fiscal agent. SPARCC is governed by a board of directors chosen from the general membership of the SPARCC assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least one assembly member from each county in which participating districts are located. Financial information can be obtained by contacting the Treasurer at the Stark County Education Services Center, which serves as fiscal agent, located at 6057 Strip Avenue, NW, North Canton, Ohio 44720. During the year ended June 30, 2023, the District paid $40,481 to SPARCC for basic service charges.

RELATED ORGANIZATION

Reed Memorial Public Library (the "Library")
The Library is a distinct political subdivision of the State of Ohio created under chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Ravenna City School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax and the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Reed Memorial Public Library, Janice Kent, Clerk/Treasurer, at 167 East Main Street, Ravenna, Ohio 44266.

PUBLIC ENTITY RISK POOLS

Stark County Schools Council of Governments (the "COG")
The COG is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly elects officers for one-year terms to serve as the Board of Directors. The assembly exercises control over the operation of the COG. All COG's revenues are generated from charges for services. The COG has a Health Benefits Program which is a shared risk pool comprised of various entities, most of which are school districts.

Ohio Schools Council Association
The Ohio Schools Council Association (the "Council") is a jointly governed organization comprised of one-hundred-ninety-nine school districts, joint vocational school districts, educational service centers and county boards of developmental disability. The mission of the Council is to identify, plan and provide services to member districts that can be more effectively achieved by cooperative endeavors of member districts than by an individual district operating on its own. Each district supports the Council by paying an annual participation fee. The Council's Board consists of nine superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. Financial information can be obtained by contacting the Executive Director of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

B. Basis of Presentation

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The effect of interfund activity within governmental type activity columns has been removed from these statements.

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

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

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

GOVERNMENTAL FUNDS

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

The following are the District’s major governmental funds:

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

Elementary and Secondary School Emergency fund - To provide emergency relief grants to school districts related to the COVID-19 pandemic. Restrictions include, but are not limited to, providing for coordination of preparedness and response efforts, training and professional development of staff, planning and coordination during long-term closure, and purchasing technology for students.

Permanent Improvement Fund - A fund provided to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705, Revised Code.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, not reported in the permanent improvement fund, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects, and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's fiduciary funds are private purpose trust funds. The District’s private purpose trust funds are primarily for assets held by the District in a trustee capacity.

C. Measurement Focus

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

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

The private purpose trust funds are reported using the economic resources measurement focus.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from private purpose trust funds. None of the fiduciary fund type activities are included in the government-wide financial statements.

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 on the fund financial statements. Fiduciary funds also use the accrual basis of accounting.

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will 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. See Notes 12 and 13 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

See Notes 12 and 13 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position. In addition, deferred outflows of resources include a deferred gain on debt refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

E. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool, except for certain trust fund monies that have been separately invested. Individual fund integrity is maintained through District records. Each funds' interest in the pool is presented as "equity in pooled cash and investments" on the financial statements.

The District has a segregated portion of the internal investment pool cash balances which is held in separate investment accounts pursuant to trust agreements. The balances of these segregated investments accounts are reported as "cash and investments in segregated accounts" on the financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

During fiscal year 2023, investments were limited to negotiable certificates of deposit and U.S. government money market mutual funds. These investments are reported at fair value which is based on quoted market prices.

For presentation on the financial statements, investments of the cash management pool and investments with maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2023 amounted to $28,171, which includes $12,071 assigned from other District funds.

F. Bond Premium/Accounting Gain or Loss

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

For refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred inflow/outflow of resources on the statement of net position.

G. Capital Assets

General capital assets are those assets resulting from expenditures in the governmental funds. These assets are reported in the governmental activities' column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deductions during the year. Donated capital assets are recorded at their acquisition value. The District maintains a capitalization threshold of $5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

Description	Useful Lives
Land Improvements	20 Years
Buildings and Improvements	10 - 50 Years
Furniture and Equipment	5 - 20 Years
Vehicles	8 Years

H. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method. Fund balance has been presented as nonspendable equal to the balance of the materials and supplies inventory at fiscal year-end. Inventory consists of expendable supplies held for consumption.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the District's past experience of making termination payments.

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

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

J. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences and net pension liability 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. Bonds and notes are recognized as a liability on 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.

K. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted for unclaimed monies, other local grants and OPEB.

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

L. Fund Balance

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

M. Interfund Activity

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

N. Estimates

The preparation of financial statements in conformity with GAAP 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 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

O. Budgetary Data

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2023.

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

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 need not be reappropriated.

P. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related 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.

Q. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. On the fund financial statements, reported prepayments are equally offset by a nonspendable fund balance.

R. Fair Value

The 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

S. Interfund Balances

On the fund financial statements, receivables related to interfund activity are classified as "due from other funds" and "due to other funds." These amounts are eliminated in the governmental activities' column of the statement of net position.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2023, the District has implemented GASB Statement No. 91, "*Conduit Debt Obligations*", GASB Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*", GASB Statement No. 96, "*Subscription Based Information Technology Arrangements*", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the District.

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the District.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the District.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the District.

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

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

Major fund	Deficit
ESSER	$ 583,807
Nonmajor funds	
Public school preschool	50,614
IDEA part B	1,006
School improvement stimulus A	11,535
Title I	118,905
IDEA part B - preschool stimulus	8,576
Supporting effective instruction	18,013
Student support and academic enrichment programs	16,575

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the 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 District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

6. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above 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, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,

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

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

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

A. Cash on Hand

At fiscal year end, the District had $200 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and investments".

B. Cash and Investments in Segregated Accounts

At year-end, the District had $987,795 in cash and investments held in separate investment accounts pursuant to trust agreements. This amount is reported as "cash and investments in segregated accounts" on the statement of fiduciary net position. The balances of these investments are included in "Investments" below.

C. Deposits with Financial Institutions

At June 30, 2023, the carrying amount of all District deposits was $6,172,673 and the bank balance of all District deposits was $6,207,941. Of the bank balance, $2,562,166 was covered by the FDIC and $3,645,775 was potentially exposed to custodial credit risk discussed below because those deposits were uninsured and could be uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2023, the District's deposits are insured with a qualified trustee. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

D. Investments

As of June 30, 2023, the District had the following investments and maturities:

		Investment Maturities		
Measurement/ Investment type	Measurement Amount	6 months or less	13 to 18 months	Greater than 24 months
Fair Value:				
Negotiable CD's	$ 572,575	$ -	$ 174,025	$ 398,550
U.S. Government money market mutual fund	18,768	18,768	-	-
Total	$ 591,343	$ 18,768	$ 174,025	$ 398,550

The District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs).

The District's investments in negotiable certificates of deposit are valued using quoted market prices that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either direct or indirectly (Level 2 inputs).

Interest Rate Risk: Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates substantially increase. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits investment portfolio maturities to five years or less. State statute requires that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk: Standard & Poor's has assigned the U.S. Government Money Market an AAAm money market rating. The negotiable CD's are fully covered by the FDIC and are not rated. The District's investment policy does not address investment credit risk beyond the requirements of State statutes.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's investment policy does not specifically address custodial credit risk beyond the adherence to all relevant sections of the Ohio Revised Code. Requirements in State statute prohibit payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board or qualified trustee.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District places no dollar limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2023:

Measurement/ Investment type	Measurement Amount	% of Total
Fair Value:		
Negotiable CD's	$ 572,575	96.83
U.S. Government money market mutual fund	18,768	3.17
Total	$ 591,343	100.00

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2023:

Cash and investments per note	
Carrying amount of deposits	$ 6,172,673
Investments	591,343
Cash on hand	200
Total	$ 6,764,216

Cash and investments per statement of net position	
Governmental activities	$ 5,721,631
Private-purpose trust funds	1,042,585
Total	$ 6,764,216

NOTE 5 - INTERFUND TRANSACTIONS

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

	Amount
Transfer from general fund to:	
Nonmajor governmental funds	$ 75,000
Transfer from permanent improvement fund to:	
Nonmajor governmental fund	137,798
Transfers from nonmajor governmental funds to:	
Permanent improvement fund	1,872,609
Nonmajor governmental funds	83,346
Total	$ 2,168,753

Transfers are used to move revenues from the fund that statute or budget required 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 budgetary authorizations. Interfund transfers between governmental funds are eliminated on the government-wide financial statements. All transfers were in compliance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16.

NOTE 5 - INTERFUND TRANSACTIONS – (Continued)

B. Interfund balances at June 30, 2023 as reported on the fund financial statements, consist of the following individual due to other fund and due from other fund:

Balance due from other funds	Balances due to other fund	Amount
General fund	Nonmajor governmental funds	$ 1,006

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

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2023 are reported on the statement of net position.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed values as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Public utility real and personal property taxes received in calendar year 2023 became a lien on 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 is currently assessed at varying percentages of true value.

The District receives property taxes from Portage 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 as an advance at June 30, 2023 was $2,371,517 in the general fund, $217,933 in the bond retirement fund (a nonmajor governmental fund) and $332,067 in the permanent improvement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2022 was $1,050,175 in the general fund, $94,124 in the bond retirement fund (a nonmajor governmental fund) and $165,959 in the permanent improvement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal 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.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow.

NOTE 6 - PROPERTY TAXES - (Continued)

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

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 356,729,360	94.53	$ 358,827,980	94.27
Public utility personal	20,652,610	5.47	21,829,190	5.73
Total	$ 377,381,970	100.00	$ 380,657,170	100.00
Tax rate per $1,000 of assessed valuation	$68.13		$68.08	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2023 consisted of property taxes, accounts (billings for user charged services and student fees), accrued interest, leases 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 year guarantee of federal funds.

A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:	
Property taxes	$ 14,127,704
Leases	175,793
Accounts	23,484
Accrued interest	420
Intergovernmental	931,764
Total	$ 15,259,165

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

NOTE 8 - NOTES RECEIVABLE

The Wichterman trust fund was established in 1984 through a probate will. Qualified Ravenna graduates attending medical school may borrow interest free, any amount to pay for the costs of higher education. Repayment begins one year after termination of college attendance.

The Jane Jenkins Scholarship Loan Fund was established in 1984, in accordance with her last will and testament. Four interest free scholarship loans of $5,000 each are awarded annually to deserving students for their use in pursing higher education. Loans are to be repaid upon graduation or early withdrawal from school.

At the close of fiscal year 2023, there was a total principal loan balance outstanding of $295,389.

NOTE 9 - CAPITAL ASSETS

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

	Balance 07/01/2022	Additions	Deductions	Balance 06/30/2023
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 74,984	$ -	$ -	$ 74,984
Construction in progress	1,902,660	871,064	-	2,773,724
Total capital assets, not being depreciated	1,977,644	871,064	-	2,848,708
Capital assets, being depreciated:				
Land improvements	6,181,833	-	-	6,181,833
Buildings and improvements	47,851,679	-	-	47,851,679
Furniture and equipment	2,323,068	885,891	-	3,208,959
Vehicles	1,706,599	286,527	(119,150)	1,873,976
Total capital assets, being depreciated	58,063,179	1,172,418	(119,150)	59,116,447
Less: accumulated depreciation				
Land improvements	(4,836,236)	(177,666)	-	(5,013,902)
Buildings and improvements	(17,164,230)	(907,050)	-	(18,071,280)
Furniture and equipment	(1,902,561)	(162,745)	-	(2,065,306)
Vehicles	(1,155,652)	(110,465)	116,212	(1,149,905)
Total accumulated depreciation	(25,058,679)	(1,357,926)	116,212	(26,300,393)
Total capital assets, being depreciated, net	33,004,500	(185,508)	(2,938)	32,816,054
Governmental activities capital assets, net	$ 34,982,144	$ 685,556	$ (2,938)	$ 35,664,762

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 557,835
Support services:	
Pupil	79,903
Instructional staff	26,680
Board of Education	6,297
Administration	82,789
Fiscal	22,972
Business	18,040
Operations and maintenance	36,944
Pupil transportation	149,728
Central	97,518
Other non-instructional services	18,232
Food service operations	57,602
Extracurricular	203,386
Total depreciation expense	$ 1,357,926

NOTE 10 - LONG-TERM OBLIGATIONS

During fiscal year 2023, the following changes occurred in governmental activities long-term obligations:

	Balance 06/30/22	Additions	Reductions	Balance 06/30/23	Amounts Due in One Year
Governmental activities:					
General obligation bonds					
Series 2020 school improvement:					
Current interest bonds	$ 9,466,000	$ -	$ (662,000)	$ 8,804,000	$ 673,000
Premium	219,849	-	(19,048)	200,801	-
Series 2012 school improvement refunding:					
Current interest bonds	255,000		(60,000)	195,000	65,000
Premium	93,358	-	(26,360)	66,998	-
Series 2016 school improvement refunding:					
Current interest bonds	871,522	-	(76,903)	794,619	76,287
Premium	41,070	-	(4,304)	36,766	-
Total general obligation bonds	10,946,799	-	(848,615)	10,098,184	814,287
Finance purchase agreements - direct borrowing	1,590,833	-	(337,000)	1,253,833	346,000
Early retirement incentive	-	300,000	(10,000)	290,000	90,000
Tax anticipation note	290,000	-	(290,000)	-	-
Net pension liability	17,909,903	11,940,105	-	29,850,008	-
Net OPEB liability	2,403,081	-	(733,121)	1,669,960	-
Compensated absences	2,000,591	365,256	(56,486)	2,309,361	195,218
Total long-term obligations, governmental activities	$ 35,141,207	$12,605,361	$ (2,275,222)	$ 45,471,346	$ 1,445,505

Finance Purchase Agreements

On May 9, 2019, the District entered into a $1,720,000 direct borrowing finance purchase agreement with Portage Community Bank. The purpose of this finance purchase agreement was to finance the Ravenna High School remediation project. Interest and principal payments are made on the 15th of each month until the agreement expires on January 9, 2027.

The primary source of revenue to fund the principal and interest payments is property tax revenue in the permanent improvement fund and the classroom facilities maintenance fund, a nonmajor governmental fund. During fiscal year 2023, the District made principal and interest payments of $201,000 and $70,771, respectively.

On November 27th, 2002, the District entered into a $3,997,500 direct borrowing finance purchase agreement. The purpose of this finance purchase agreement was to finance a stadium improvement project. Interest and principal payments are made on the first of each May and November until final maturity on November 1, 2022. As of June 30, 2023, there is no future obligation outstanding related to this agreement.

Tax Anticipation Notes

On June 26, 2012, the District issued a $1,585,000 permanent improvement tax anticipation note to fund capital projects. The note bears an interest rate of 1.95%. Payments of principal are due annually on December 1 and payments of interest were due each June 1 and December 1. The stated maturity on the note was December 1, 2022. The note was retired from the bond retirement fund (a nonmajor governmental fund). As of June 30, 2023, there is no future obligation outstanding related to this note.

On July 15, 2013, the District issued a $1,000,000 permanent improvement tax anticipation note to fund capital projects. The note bears an interest rate of 3.10%. Payments of principal were due annually on December 1 and payments of interest are due each June 1 and December 1. The stated maturity on the note was December 1, 2022. The note was retired from the bond retirement fund (a nonmajor governmental fund). As of June 30, 2023, there is no future obligation outstanding related to this note.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Net Pension Liability
The District's net pension liability is described in Note 12. The District pays obligations related to employee compensation from the fund benefitting from their service.

Net OPEB Liability/Asset
The District's net OPEB liability/asset is described in Note 13. The District pays obligations related to employee compensation from the fund benefitting from their service.

Compensated Absences and Early Retirement Incentive
Compensated absences and early retirement incentives will be paid from the funds which the employee's salaries are paid, which is primarily the general fund.

Series 2012 School Improvement Refunding Bonds
On December 12, 2012, the District issued general obligation bonds (series 2012 refunding bonds) to refund $6,550,000 of the series 2006 general obligation current interest bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding issue is comprised of both current interest bonds, par value $6,430,000, and capital appreciation bonds par value $119,990. The interest rates on the current interest bonds range from 1.00%-3.00%. The capital appreciation bonds matured each January 15, 2016 through 2018 (stated interest rate 76.84%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. Principal and interest payments are made from the bond retirement fund (a nonmajor governmental fund).

Interest payments on the current interest bonds are due on January 15 and July 15 of each year. The final maturity stated in the issue is January 15, 2031.

The reacquisition price exceeded the net carrying amount of the old debt by $892,451. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued, as a deferred outflow of resources on the statement of net position.

On December 22, 2020, $4,150,000 of the series 2012 school improvement refunding bonds were refunded by the series 2020 school improvement refunding bonds.

Series 2013 School Improvement Refunding Bonds
On January 9, 2013, the District issued general obligation bonds (series 2013 refunding bonds) to refund $5,640,000 of the series 2006 general obligation current interest bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding issue is comprised of both current interest bonds, par value $5,555,000, and capital appreciation bonds par value $84,986. The interest rates on the current interest bonds range from 1.00%-3.25%. The capital appreciation bonds mature each January 15, 2016 through 2022 (stated interest rate 46.03%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds outstanding at June 30, 2022 was $665,000. As of June 30, 2022, there is no future obligation outstanding related to these bonds. Principal and interest payments were made from the bond retirement fund (a nonmajor governmental fund).

The reacquisition price exceeded the net carrying amount of the old debt by $592,068. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued, as a deferred outflow of resources on the statement of net position.

On December 22, 2020, the remaining balance of the current interest bonds were refunded by the series 2020 school improvement refunding bonds.

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Series 2016 School Improvement Refunding Bonds
On August 11, 2016, the District issued a $1,219,560 general obligation bonds (series 2016 refunding bonds) to refund $1,220,000 of the series 2007 general obligation current interest bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding issue is comprised of current interest bonds with an interest rate of 3.10%. The reacquisition price exceeded the net carrying amount of the old debt by $22,916. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued, as a deferred outflow of resources on the statement of net position.

Principal and interest payments are made from the bond retirement fund (a nonmajor governmental fund).

Interest payments on the current interest bonds are due on January 15 and July 15 of each year. The final maturity stated in the issue is January 15, 2032.

This refunding was undertaken to reduce the combined total debt service payments through January 15, 2032, by $129,513 and resulted in an economic gain of $105,079.

Series 2020 School Improvement Refunding Bonds
On December 22, 2020, the District issued a $9,523,000 general obligation bonds (series 2020 refunding bonds) to refund $4,150,000 of the series 2012 school improvement refunding bonds and $5,385,000 of the series 2013 school improvement refunding bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding issue is comprised of current interest bonds with an interest rate of 2.06%. The reacquisition price was $267,487 less than the net carrying amount of the old debt. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued, as a deferred inflow of resources on the statement of net position.

Principal and interest payments are made from the bond retirement fund (a nonmajor governmental fund).

Interest payments on the current interest bonds are due on January 15 and July 15 of each year. The final maturity stated in the issue is January 15, 2034.

This refunding was undertaken to reduce the combined total debt service payments through January 15, 2034, by $719,297 and resulted in an economic gain of $648,421.

Future Debt Service Requirements
Principal and interest requirements to retire general obligation bonds, finance purchase agreements and tax anticipation notes outstanding at June 30, 2023 are as follows:

	Series 2012 School Improvement Refunding Current Interest Bonds	
Fiscal Year Ending June 30	Principal	Interest
2024	$ 65,000	$ 3,900
2025	65,000	2,600
2026	65,000	1,300
Total	$ 195,000	$ 7,800

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Fiscal Year Ending June 30	Series 2016 School Improvement Refunding Current Interest Bonds Principal	Series 2016 School Improvement Refunding Current Interest Bonds Interest	Series 2020 School Improvement Refunding Current Interest Bonds Principal	Series 2020 School Improvement Refunding Current Interest Bonds Interest
2024	$ 76,287	$ 24,634	$ 673,000	$ 181,362
2025	80,577	22,268	692,000	167,498
2026	84,795	19,770	710,000	153,244
2027	83,939	17,142	791,000	138,618
2028	88,056	14,540	810,000	122,323
2029 - 2033	380,965	29,794	4,245,000	441,169
2034	-	-	883,000	18,190
Total	$ 794,619	$ 128,148	$ 8,804,000	$ 1,222,404

Fiscal Year Ending June 30	Finance Purchase Agreements Principal	Finance Purchase Agreements Interest
2024	$ 346,000	$ 57,846
2025	376,000	39,796
2026	376,000	20,996
2027	155,833	3,448
Total	$ 1,253,833	$ 122,086

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District’s legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District’s legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2023, are a voted debt margin of $24,717,619 (including available funds of $252,093), an unvoted debt margin of $380,657, and an unvoted conservation debt margin of $3,425,915.

NOTE 11 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District has property and fleet insurance, liability insurance and inland marine coverage policies through private insurance carriers. The deductibles for the property insurance are $5,000. The deductibles for the fleet insurance and inland marine coverage vary from $0 to $1,000 depending on the incident.

NOTE 11 - RISK MANAGEMENT - (Continued)

In June 2020, the Board of Education adopted a resolution in accordance with authority granted to it under Ohio Revised code 3.061, to adopt an employee dishonesty and faithful performance of duty policy in lieu of requiring officers, employees, and appointees to obtain individual surety bonds for their public duties. All positions are covered under the crime policy with the Ohio School Plan. The Treasurer and business manager are also included There has been no reduction in insurance coverage from the prior year, and claims have not exceeded coverage in the last three fiscal years.

B. Workers' Compensation

The District pays the State Workers' Compensation System, an insurance purchasing pool, a premium based on a rate per $100 of salaries. The District is a member of the CompManagement group retrospective rating program, an insurance purchasing pool. This rate is calculated based on accident history and administrative costs.

C. Employee Medical Benefits

The District has contracted with the Stark County Schools Council of Governments Health Benefits Program (COG) to provide employee medical/surgical and dental benefits. The Stark County Schools Council of Governments Health Benefits Programs is a shared risk pool comprised of school districts. Rates are set through an annual calculation process. The District pays a monthly contribution which is paid to a common fund from which claim payments are made for all participants regardless of claim flow. The Board of Directors has the right to return money to an existing school district subsequent to the settlements of all expenses and claims. The District pays 85% of the total premiums while the employee pays 15% of the total premiums. The District paid premiums of $1,902 for family coverage and $783 for single coverage per employee per month in fiscal year 2023.

The COG gave one premium holidays in fiscal year 2023.

Dental insurance is also provided through the Stark County Schools Council of Governments Health Benefits Program. The District pays 90% of the total premiums while the employee pays 10% of the total premiums. District paid portion of the premiums for dental coverage were $216 for family coverage and $88 for single coverage per employee per month.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

The net pension liability and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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 obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset).

Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

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

Plan Description - School Employees Retirement System (SERS)

Plan Description - The District's 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	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% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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% and with a floor of 0%. In 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% 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% for plan members and 14.00% 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%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was $663,147 for fiscal year 2023. Of this amount, $65,155 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers participate in STRS, 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 website at www.strsoh.org.

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% 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% of the 14% 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% of the 14% 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.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% 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% was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was $2,028,230 for fiscal year 2023. Of this amount, $340,602 is reported as pension and postemployment benefits 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 District's proportion of the net pension liability was based on the 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	0.123005700%	0.104578873%	
Proportion of the net pension liability current measurement date	0.116225200%	0.105998700%	
Change in proportionate share	-0.006780500%	0.001419827%	
Proportionate share of the net pension liability	$ 6,286,363	$ 23,563,645	$ 29,850,008
Pension expense	$ 193,186	$ 2,490,610	$ 2,683,796

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 254,603	$ 301,645	$ 556,248
Net difference between projected and actual earnings on pension plan investments	-	819,965	819,965
Changes of assumptions	62,028	2,819,861	2,881,889
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	70,168	133,788	203,956
Contributions subsequent to the measurement date	663,147	2,028,230	2,691,377
Total deferred outflows of resources	$ 1,049,946	$ 6,103,489	$ 7,153,435

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 41,269	$ 90,139	$ 131,408
Net difference between projected and actual earnings on pension plan investments	219,365	-	219,365
Changes of assumptions	-	2,122,544	2,122,544
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	253,989	644,578	898,567
Total deferred inflows of resources	$ 514,623	$ 2,857,261	$ 3,371,884

$2,691,377 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (94,305)	$ (850,125)	$ (944,430)
2025	(99,069)	(1,025,560)	(1,124,629)
2026	(21,181)	(1,418,602)	(1,439,783)
2027	86,731	4,512,285	4,599,016
Total	$ (127,824)	$ 1,217,998	$ 1,090,174

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

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	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.00%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.00%
Actuarial cost method	Entry age normal (level percent of payroll)

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

The long-term 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.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US 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 Strategy	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 7.00%. 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%). 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.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00%, 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%), or one percentage point higher (8.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 9,253,226	$ 6,286,363	$ 3,786,821

Actuarial Assumptions - STRS

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

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2022 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. 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% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% 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% of rates for males and 100% 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.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

STRS Ohio's 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.

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% 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 the rates described previously. 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 Ohio'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 pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the net pension liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 35,596,089	$ 23,563,645	$ 13,387,922

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 12 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was $88,933.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $88,933 for fiscal year 2023. Of this amount, $88,933 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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% of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.126973700%	0.104578873%	
Proportion of the net OPEB liability/asset current measurement date	0.118942100%	0.105998700%	
Change in proportionate share	-0.008031600%	0.001419827%	
Proportionate share of the net OPEB liability	$ 1,669,960	$ -	$ 1,669,960
Proportionate share of the net OPEB asset	$ -	$ (2,744,659)	$ (2,744,659)
OPEB expense	$ (174,625)	$ (507,508)	$ (682,133)

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

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 14,040	$ 39,792	$ 53,832
Net difference between projected and actual earnings on OPEB plan investments	8,676	47,778	56,454
Changes of assumptions	265,626	116,914	382,540
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	72,018	3,298	75,316
Contributions subsequent to the measurement date	88,933	-	88,933
Total deferred outflows of resources	$ 449,293	$ 207,782	$ 657,075

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 1,068,228	$ 412,197	$ 1,480,425
Changes of assumptions	685,530	1,946,227	2,631,757
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	389,681	23,663	413,344
Total deferred inflows of resources	$ 2,143,439	$ 2,382,087	$ 4,525,526

$88,933 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (396,413)	$ (642,399)	$ (1,038,812)
2025	(399,470)	(627,573)	(1,027,043)
2026	(352,761)	(294,603)	(647,364)
2027	(222,954)	(123,796)	(346,750)
2028	(150,252)	(160,747)	(310,999)
Thereafter	(261,229)	(325,187)	(586,416)
Total	$ (1,783,079)	$ (2,174,305)	$ (3,957,384)

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.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	3.69%
Prior measurement date	1.92%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.08%
Prior measurement date	2.27%
Medical trend assumption:	
Current measurement date	7.00 to 4.40%
Prior measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%

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

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

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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%, 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 target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US 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 Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 2,074,115	$ 1,669,960	$ 1,343,696

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 1,287,838	$ 1,669,960	$ 2,169,071

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%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

For the prior measurement date, for healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% 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% of rates for males and 100% 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% 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.

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.

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

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00% 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% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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%, 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%) or one percentage point higher (8.00%) 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
District's proportionate share of the net OPEB asset	$ 2,541,605	$ 2,744,659	$ 2,922,224

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 2,846,879	$ 2,744,659	$ 2,615,631

NOTE 14 - OTHER EMPLOYEE BENEFITS

A. Life Insurance

The District provides life insurance to its employees through the Stark County Schools Council of Governments Health Benefits Programs.

B. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, Administrators, and Classified employees earn sick leave at a rate of one and one-quarter days per month. Severance days paid for classified employees are dependent on their years of experience. Teachers with ten or more years of service are paid twenty-five percent of accrued unused sick time upon retirement.

C. Personal and Sick Leave Incentive

Attendance incentives shall be provided to those who achieve at least a 96% attendance level during time periods set forth in the negotiated agreements for classified and certified employees.

D. Early Retirement Incentive

During fiscal year 2023, the Board of Education approved a one-time early retirement incentive. The plan was available to full and part-time certified teachers who had 12 or more years of service with the District as of June 30, 2023 or were eligible to retire with full or reduced benefits under the State Teachers Retirement System of Ohio (STRS) as of June 30, 2023. Employees electing to take part in the program shall receive one times his/her 2022-2023 base salary, not to exceed $60,000. The incentive will be deposited in 60 equal monthly installments made to an annuity contract or custodial account that is designated to meet the tax-qualifications requirements of IRS Code Section 403(b). Five employees elected to participate in the program in fiscal year 2023.

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) - 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 the GAAP basis are that:

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

(d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,

(e) Some funds are included in the general fund (GAAP basis) but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund and ESSER fund is as follows:

Net Change in Fund Balance

	General fund	ESSER fund
Budget basis	$ (259,900)	$ 34,797
Net adjustment for revenue accruals	1,559,521	(767,960)
Net adjustment for expenditure accruals	1,458,496	229,784
Net adjustment for other sources/uses	(1,607,435)	-
Funds budgeted elsewhere	3,977	-
Adjustment for encumbrances	444,414	-
GAAP basis	$ 1,599,073	$ (503,379)

The public-school support fund is legally budgeted as a separate special revenue fund but is considered part of the general fund on a GAAP basis.

NOTE 16 - CONTINGENCIES

A. Grants

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

NOTE 16 - CONTINGENCIES

B. Litigation

The District is not party to any legal proceedings which, in the opinion of District management, will have a material effect, if any, on the financial condition of the District.

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education and Workforce (DEW) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. The fiscal year 2023 adjustment resulted in a receivable to the District in the amount of $617 and will not have a material effect on the financial position of the school district.

NOTE 17 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	Capital Improvements
Set-aside balance June 30, 2022	$ -
Current year set-aside requirement	449,715
Current year offsets	(449,715)
Total	$ -
Balance carried forward to fiscal year 2024	$ -
Set-aside balance June 30, 2023	$ -

The public-school support fund is legally budgeted as a separate special revenue fund but is considered part of the general fund on a GAAP basis.

NOTE 18 - LEASE RECEIVABLE

The District is reporting lease receivable of $175,793 in the general fund. For fiscal year 2023, the District recognized lease revenue of $157,496, which is reported in rental income, and interest revenue of $7,128.

The District has entered into a lease agreement for building space rental with terms as follows:

Asset being leased	Lease Commencement Date	Years	Lease End Date	Payment Method
Tappan Elementary	2022	3	2025	Monthly

Lease payments will be received in the general fund. The following is a schedule of future lease payments under the lease agreement:

Fiscal Year	Principal	Interest	Total
2024	$ 162,076	$ 2,924	$ 165,000
2025	13,717	33	13,750
Total	$ 175,793	$ 2,957	$ 178,750

NOTE 19 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Community Reinvestment Areas

The City of Ravenna entered into a property tax abatement agreement through Community Reinvestment Areas (CRAs). Under the authority of Ohio Revised Code (ORC) Section 3735.67, 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 is desired. 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 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 CRA agreement entered into by the governments affect the property tax receipts collected and distributed to the District. Under this agreement, the District's property taxes were reduced by $34,784.

Enterprise Zones

The City of Ravenna entered into property tax abatement agreements with local businesses under Enterprise Zone tax abatement agreements. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program provides tax exemptions for a portion of the value of new real property when the investment is made in conjunction with a project that includes job creation or job retention. These tax abatements reduce assessed value by a percentage agreed upon by all parties that authorize these types of agreements. The agreements affect the property tax receipts collected and distributed to the District. Under the agreements, the District's property taxes were reduced by $85,153 during fiscal year 2023.

NOTE 20 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During fiscal year 2023, the District received COVID-19 funding. The District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

NOTE 21 - TAX ANTICIPATION NOTE

On January 17, 2023, the District issued a $1,500,000 tax anticipation note for the purpose of paying current expenses in anticipation of collection of current property tax revenues. This note bore an interest rate of 7.25% and was due on or before June 28, 2023. The District made three payments of $500,000, one on March 16, 2023, one on April 6, 2023 and one on May 4, 2023. The District also made an interest payment of $25,073 on May 4, 2023. All activity related to this tax anticipation note was recorded in the general fund.

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net pension liability	0.11622520%	0.12300570%	0.11820700%	0.12744940%
District's proportionate share of the net pension liability	$ 6,286,363	$ 4,538,554	$ 7,818,460	$ 7,625,521
District's covered payroll	$ 4,333,886	$ 4,332,550	$ 4,316,314	$ 4,365,067
District's proportionate share of the net pension liability as a percentage of its covered payroll	145.05%	104.75%	181.14%	174.69%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
	0.13328300%		0.12969940%		0.13233650%		0.13587800%		0.13658100%		0.13658100%
$	7,633,364	$	7,749,253	$	9,685,811	$	7,753,330	$	6,912,287	$	8,122,034
$	4,359,948	$	4,224,464	$	4,101,929	$	4,090,637	$	3,968,788	$	3,957,717
	175.08%		183.44%		236.13%		189.54%		174.17%		205.22%
	71.36%		69.50%		62.98%		69.16%		71.70%		65.52%

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net pension liability	0.10599870%	0.10457887%	0.10680535%	0.11064894%
District's proportionate share of the net pension liability	$ 23,563,645	$ 13,371,349	$ 25,843,094	$ 24,469,348
District's covered payroll	$ 13,534,693	$ 13,394,036	$ 12,762,286	$ 13,197,857
District's proportionate share of the net pension liability as a percentage of its covered payroll	174.10%	99.83%	202.50%	185.40%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	70.40%

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.10950420%	0.11058116%	0.11126765%	0.11839547%	0.11967855%	0.11967855%
$ 24,077,515	$ 26,268,792	$ 37,244,636	$ 32,721,045	$ 29,109,965	$ 34,675,600
$ 12,444,636	$ 12,289,971	$ 11,593,050	$ 12,479,121	$ 12,227,846	$ 13,047,923
193.48%	213.74%	321.27%	262.21%	238.06%	265.76%
77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 663,147	$ 606,744	$ 606,557	$ 604,284
Contributions in relation to the contractually required contribution	(663,147)	(606,744)	(606,557)	(604,284)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,736,764	$ 4,333,886	$ 4,332,550	$ 4,316,314
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 589,284	$ 588,593	$ 591,425	$ 574,270	$ 539,146	$ 550,074
(589,284)	(588,593)	(591,425)	(574,270)	(539,146)	(550,074)
$ -	$ -	$ -	$ -	$ -	$ -
$ 4,365,067	$ 4,359,948	$ 4,224,464	$ 4,101,929	$ 4,090,637	$ 3,968,788
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 2,028,230	$ 1,894,857	$ 1,875,165	$ 1,786,720
Contributions in relation to the contractually required contribution	(2,028,230)	(1,894,857)	(1,875,165)	(1,786,720)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 14,487,357	$ 13,534,693	$ 13,394,036	$ 12,762,286
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 1,847,700	$ 1,742,249	$ 1,720,596	$ 1,623,027	$ 1,747,077	$ 1,589,620
(1,847,700)	(1,742,249)	(1,720,596)	(1,623,027)	(1,747,077)	(1,589,620)
$ -	$ -	$ -	$ -	$ -	$ -
$ 13,197,857	$ 12,444,636	$ 12,289,971	$ 11,593,050	$ 12,479,121	$ 12,227,846
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net OPEB liability	0.11894210%	0.12697370%	0.12371570%	0.13035920%
District's proportionate share of the net OPEB liability	$ 1,669,960	$ 2,403,081	$ 2,688,747	$ 3,278,260
District's covered payroll	$ 4,333,886	$ 4,332,550	$ 4,316,314	$ 4,365,067
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	38.53%	55.47%	62.29%	75.10%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017	
	0.13477810%		0.13118450%		0.13393492%
$	3,739,109	$	3,520,647		3,817,641
$	4,359,948	$	4,224,464	$	4,101,929
	85.76%		83.34%		93.07%
	13.57%		12.46%		11.49%

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net OPEB liability/asset	0.10599870%	0.10457887%	0.10680535%	0.11064894%
District's proportionate share of the net OPEB liability/(asset)	$ (2,744,659)	$ (2,204,960)	$ (1,877,103)	$ (1,832,612)
District's covered payroll	$ 13,534,693	$ 13,394,036	$ 12,762,286	$ 13,197,857
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	20.28%	16.46%	14.71%	13.89%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.10%	174.70%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017
0.10950420%	0.11058116%	0.11126765%
$ (1,759,621)	$ 4,314,469	$ 5,950,623
$ 12,444,636	$ 12,289,971	$ 11,593,050
14.14%	35.11%	51.33%
176.00%	47.10%	37.30%

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 88,933	$ 78,191	$ 82,210	$ 84,456
Contributions in relation to the contractually required contribution	(88,933)	(78,191)	(82,210)	(84,456)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 4,736,764	$ 4,333,886	$ 4,332,550	$ 4,316,314
Contributions as a percentage of covered payroll	1.88%	1.80%	1.90%	1.96%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2019	2018	2017	2016	2015	2014
	$ 100,214	$ 92,670	$ 69,508	$ 67,027	$ 102,269	$ 73,103
	(100,214)	(92,670)	(69,508)	(67,027)	(102,269)	(73,103)
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 4,365,067	$ 4,359,948	$ 4,224,464	$ 4,101,929	$ 4,090,637	$ 3,968,788
	2.30%	2.13%	1.65%	1.63%	2.50%	1.84%

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 14,487,357	$ 13,534,693	$ 13,394,036	$ 12,762,286
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ -	$ -	$ -	$ -	$ -	$ 128,123
-	-	-	-	-	(128,123)
$ -	$ -	$ -	$ -	$ -	$ -
$ 13,197,857	$ 12,444,636	$ 12,289,971	$ 11,593,050	$ 12,479,121	$ 12,227,846
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms:

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit receipients commencing benefits on or after April 1, 2018
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

Changes in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

(Continued)

PENSION (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :
- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023

Changes in assumptions :
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO (CONTINUED)

Changes in assumptions :

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.

- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitel
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.

- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO (CONTINUED)

Changes in assumptions (continued) :

- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projecte salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

RAVENNA CITY SCHOOL DISTRICT
PORTAGE COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**ASSISTANCE LISTING NUMBER**	**PASS-THROUGH ENTITY IDENTIFYTING NUMBER**	**EXPENDITURES**
FEDERAL COMMUNICATIONS COMMISSION			
Direct			
COVID-19 Emergency Connectivity Fund	32.009	N/A	485,583
Total Emergency Connectivity Fund Program			485,583
TOTAL FEDERAL COMMUNICATIONS COMMISSION			485,583
U.S. DEPARTMENT OF EDUCATION			
Passed Through The Ohio Department of Education and Workforce			
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	55054-3HS0-2022	401,843
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	55054-3HS0-2023	1,485,561
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425U	55054-3HS0-2022	947,695
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425U	55054-3HS0-2023	3,128,333
Total American Rescue Plan Elementary and Secondary School Emergency Relief (ESSER) Fund			5,963,432
Special Education Cluster:			
Special Education - Grants to States	84.027A	55054-3M20-2023	626,673
Total Special Education - Grants to States			626,673
COVID-19 American Rescue Plan IDEA, Part B Special Education	84.027X	55054-3IA0-2023	10,955
Total American Rescue Plan IDEA, Part B Special Education			10,955
Special Education - Preschool Grants	84.173A	55054-3C50-2022	1,005
Special Education - Preschool Grants	84.173A	55054-3C50-2023	24,734
Total Special Education - Preschool Grants			25,739
Total Special Education Cluster			663,367
Title I Grants to Local Education Agencies	84.010A	55054-3M00-2022	128,015
Title I Grants to Local Education Agencies	84.010A	55054-3M00-2023	882,773
Total Title I Grants to Local Educational Agencies			1,010,788
Supporting Effective Instruction State Grants, Title II, Part A	84.367A	55054-3Y60-2022	19,283
Supporting Effective Instruction State Grants, Title II, Part A	84.367A	55054-3Y60-2023	123,597
Total Supporting Effective Instruction State Grants, Title II, Part A			142,880
Student Support and Academic Enrichment	84.424A	55054-3HI0-2023	117,527
Total Student Support and Academic Enrichment			117,527
TOTAL U.S. DEPARTMENT OF EDUCATION			7,897,994
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through The Ohio Department of Education and Workforce			
Non Cash Assistance:			
National School Lunch Program/Commodities	10.555	N/A	98,603
Total Food Distribution			98,603
Cash Assistance:			
School Breakfast Program	10.553	55054-3L70-2023	314,871
National School Lunch Program	10.555	55054-3L60-2023	778,623
COVID-19 - National School Lunch Program	10.555	55054-3L60-2023	52,293
Total Food Service Programs			1,145,787
Total Child Nutrition Cluster			1,244,390
COVID-19 State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs	10.649	55054-3HF0-2023	3,135
Total State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs			3,135
TOTAL U.S. DEPARTMENT OF AGRICULTURE			1,247,525
TOTAL FEDERAL ASSISTANCE			9,631,102

The accompanying notes are an integral part of this schedule.

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 Ravenna 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 PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2023 to 2024 programs:

Program Title	CFDA Number	Amt. Transferred
Title I Grants to Local Educational Agencies	84.010	$ 63,962
Title II-A Supporting Effective Instruction	84.367	$ 5,467
ARP Homeless	84.425W	$ 52,296
ARP ESSER	84.425U	$ 961,240

OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
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800-282-0370

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

Ravenna City School District
Portage County
534 Summit Street
Ravenna, Ohio 44266

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 Ravenna City School District, Portage 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 April 30, 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 purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

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

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

April 30, 2024

65 East State Street
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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

Ravenna City School District
Portage County
534 Summit Street
Ravenna, Ohio 44266

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

April 30, 2024

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RAVENNA CITY SCHOOL DISTRICT
PORTAGE 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):**	Education Stabilization Fund – Elementary and Secondary School Emergency Relief (ESSER) (AL# 84.425) and Title I Grants to Local Education Agencies (AL# 84.010)
(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?**	No

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

BOARD OF EDUCATION OFFICE
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	In the Nonmajor Governmental Funds Opinion Unit, the District overstated Deferred Inflows Intergovernmental revenue not available on the Balance Sheet and understated Intergovernmental Revenue on the Statement of Revenues, Expenditures and Changes in Fund Balances by $410,102.	Corrective Action Taken and Finding is Fully Corrected;	None

OHIO AUDITOR OF STATE
KEITH FABER

RAVENNA CITY SCHOOL DISTRICT

PORTAGE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 6/4/2024

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