

**BROOKFIELD LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO**

SINGLE AUDIT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**



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Board of Education
Brookfield Local School District
614 Bedford Road SE
Brookfield, Ohio 44403

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

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

Keith Faber
Auditor of State
Columbus, Ohio

June 11, 2025

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**BROOKFIELD LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO**

TABLE OF CONTENTS

Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	5 - 12
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund	20
Notes to the Basic Financial Statements.....	21 - 59
Required Supplementary Information:	
Schedule of the School District's Proportionate Share of the Net Pension Liability:	
School Employees Retirement System (SERS) of Ohio	60 - 61
Schedule of the School District's Proportionate Share of the Net OPEB Liability:	
School Employees Retirement System (SERS) of Ohio	62 - 63
Schedule of the School District's Proportionate Share of the Net Pension Liability:	
State Teachers Retirement System (STRS) of Ohio	64 - 65
Schedule of the School District's Proportionate Share of the Net OPEB (Asset) Liability:	
State Teachers Retirement System (STRS) of Ohio.....	66 - 67
Schedule of the School District's Contributions:	
School Employees Retirement System (SERS) of Ohio	68 - 69
State Teachers Retirement System (STRS) of Ohio	70 - 71
Notes to the Required Supplementary Information	72 - 75
Supplementary Information:	
Schedule of Expenditures of Federal Awards.....	77
Notes to the Schedule of Expenditures of Federal Awards <i>2 CFR § 200.510(b)(6)</i>	78
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	
	79 - 80
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	
	81 - 83
Schedule of Findings <i>2 CFR § 200.515</i>	84 - 87
Summary Schedule of Prior Audit Findings <i>2 CFR § 200.511(b)</i>	88 - 89
Corrective Action Plan <i>2 CFR § 200.511(c)</i>	90

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Independent Auditor's Report

Brookfield Local School District
Trumbull County
614 Bedford Road SE
Brookfield, Ohio 44403

To the Members of the Board of Education:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the 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 Brookfield Local School District, as of June 30, 2024, and the respective changes in financial position, thereof and the budgetary comparison for the General Fund for the fiscal year then ended in accordance with 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 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 Brookfield Local School 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 Brookfield Local School 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Brookfield Local School 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 Brookfield Local School 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 postemployment benefit assets and liabilities and pension and other postemployment benefit contributions, listed in the table of contents 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 Brookfield Local School District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 March 24, 2025, on our consideration of the Brookfield Local School District's internal control over financial reporting and on 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 Brookfield Local School 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 Brookfield Local School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.
March 24, 2025

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Brookfield Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

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

Financial Highlights

Key financial highlights for fiscal year 2024 are as follows:

- Net position increased in fiscal year 2024 due mainly to changes in the net pension liability and net OPEB (asset) liability and the deferred outflows/inflows of resources associated with these liabilities as well as an increase in capital assets from current year additions exceeding current year depreciation.
- Capital assets increased in fiscal year 2024 as current year additions outpaced deletions and depreciation. Capital asset additions included construction in progress, land improvements, buildings and improvements and vehicles.
- Outstanding long-term obligations increased during fiscal year 2024 due to the issuance of a financed purchase for improvements to the athletic facility that was partially offset by the continued pay down on debt.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Brookfield Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

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

Fund Financial Statements A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like the State and local governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. These fund financial statements focus on the School District's most significant funds. The School District's major governmental funds include the general fund, the bond retirement debt service fund and the classroom facilities capital projects fund.

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

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.

Government-wide Financial Analysis

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

Brookfield Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Table 1
 Net Position
 Governmental Activities

	2024	2023	Change
Assets			
Current and Other Assets	\$12,466,277	\$11,838,358	\$627,919
Net OPEB Asset	762,645	983,371	(220,726)
Capital Assets, Net	<u>29,371,042</u>	<u>28,467,163</u>	<u>903,879</u>
<i>Total Assets</i>	<u>42,599,964</u>	<u>41,288,892</u>	<u>1,311,072</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	187,461	203,877	(16,416)
Pension	2,528,059	2,642,038	(113,979)
OPEB	<u>405,835</u>	<u>206,033</u>	<u>199,802</u>
<i>Total Deferred Outflows of Resources</i>	<u>3,121,355</u>	<u>3,051,948</u>	<u>69,407</u>
Liabilities			
Current Liabilities	2,049,544	2,277,880	228,336
Long-Term Liabilities			
Due Within One Year	826,419	710,510	(115,909)
Due in More Than One Year:			
Net Pension Liability	10,411,450	10,247,895	(163,555)
Net OPEB Liability	604,368	480,896	(123,472)
Other Amounts	<u>11,541,110</u>	<u>11,396,216</u>	<u>(144,894)</u>
<i>Total Liabilities</i>	<u>25,432,891</u>	<u>25,113,397</u>	<u>(319,494)</u>
Deferred Inflows of Resources			
Property Taxes	5,109,866	4,538,676	(571,190)
Pension	663,884	1,036,541	372,657
OPEB	<u>1,156,424</u>	<u>1,431,139</u>	<u>274,715</u>
<i>Total Deferred Inflows of Resources</i>	<u>6,930,174</u>	<u>7,006,356</u>	<u>76,182</u>
Net Position			
Net Investment in Capital Assets	18,392,007	16,962,186	1,429,821
Restricted for:			
Capital Projects	1,443,609	2,114,560	(670,951)
Debt Service	797,014	593,180	203,834
OPEB Plan	762,645	191,305	571,340
Other Purposes	316,631	398,061	(81,430)
Unrestricted (Deficit)	<u>(8,353,652)</u>	<u>(8,038,205)</u>	<u>(315,447)</u>
<i>Total Net Position</i>	<u>\$13,358,254</u>	<u>\$12,221,087</u>	<u>\$1,137,167</u>

Brookfield Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

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

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the School District, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$13,358,254 in fiscal year 2024 and \$12,221,087 in fiscal year 2023.

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

The School District continues to provide the services that the School District residents expect while maintaining the costs of providing those services. The most dramatic changes were increases to cash and cash equivalents and property tax receivables. Other changes included decreases in debt as a result of continued paydown on debt and the changes from net pension/OPEB noted above.

In an effort to promote comparability with other governments, the School District updated its calculation of net position restricted for pension and OPEB plans for fiscal year 2024. This change impacted the amounts presented as net position restricted for OPEB plans and unrestricted net position. GASB 100 does not require amounts prior to those presented in the basic financial statements to be updated for a change in accounting principle.

Brookfield Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

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

Table 2
 Changes in Net Position
 Governmental Activities

	2024	2023	Change
Program Revenues			
Charges for Services and Sales	\$414,529	\$443,142	(\$28,613)
Operating Grants, Interest and Contributions	2,560,302	4,195,989	(1,635,687)
Capital Grants and Contributions	340,419	780,997	(440,578)
<i>Total Program Revenues</i>	<i>3,315,250</i>	<i>5,420,128</i>	<i>(2,104,878)</i>
General Revenues			
Property Taxes	5,150,165	4,497,568	652,597
Grants and Entitlements	7,748,504	6,813,730	934,774
Unrestricted Contributions	3,751	1,350	2,401
Investment Earnings and Other Interest	253,259	93,918	159,341
Gain on Sale of Capital Assets	2,320	0	2,320
Miscellaneous	123,646	200,322	(76,676)
<i>Total General Revenues</i>	<i>13,281,645</i>	<i>11,606,888</i>	<i>1,674,757</i>
<i>Total Revenues</i>	<i>16,596,895</i>	<i>17,027,016</i>	<i>(430,121)</i>
Program Expenses			
Instruction:			
Regular	6,158,851	5,789,330	(369,521)
Special	2,070,394	1,553,498	(516,896)
Vocational	267,045	302,198	35,153
Student Intervention Services	0	7,501	7,501
Support Services			
Pupil	765,645	849,235	83,590
Instructional Staff	268,828	435,552	166,724
Board of Education	12,407	13,909	1,502
Administration	1,321,808	1,289,326	(32,482)
Fiscal	416,800	334,553	(82,247)
Business	19,904	26,791	6,887
Operation and Maintenance of Plant	1,512,094	1,844,388	332,294
Pupil Transportation	821,989	705,147	(116,842)
Central	312,884	233,433	(79,451)
Operation of Food Services	661,768	568,520	(93,248)
Extracurricular Activities	447,501	420,617	(26,884)
Interest	401,810	426,054	24,244
<i>Total Program Expenses</i>	<i>15,459,728</i>	<i>14,800,052</i>	<i>(659,676)</i>
Special Item - Settlement	0	1,450,000	0
<i>Change in Net Position</i>	<i>1,137,167</i>	<i>3,676,964</i>	<i>(1,089,797)</i>
Net Position Beginning of Year	12,221,087	8,544,123	3,676,964
Net Position End of Year	<u><u>\$13,358,254</u></u>	<u><u>\$12,221,087</u></u>	<u><u>\$1,137,167</u></u>

Brookfield Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Governmental Activities

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

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

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

Program revenues decreased for governmental activities in fiscal year 2024. Operating grants decreased due to the School District seeking out fewer restricted grant monies as additional sources of operating revenues along with the ESSER funding coming to an end. General revenues increased in fiscal year 2024 resulting from increases in property taxes, grants and entitlements, investment earnings and unrestricted contributions that were partially offset by a decrease to miscellaneous revenues.

Instruction composes the most significant portion of governmental program expenses. The largest component of the increase in program expenses results from increases in general and special instruction and support services such as administration, fiscal, pupil transportation, central, operation of food services and extracurricular expenses.

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

Brookfield Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

(Table 3)
 Total and Net Cost of Program Services
 Governmental Activities

	Total Cost of Services 2024	Net Cost of Services 2024	Total Cost of Services 2023	Net Cost of Services 2023
Instruction	\$8,496,290	\$6,711,972	\$7,652,527	\$4,733,124
Support Services:				
Pupil and Instructional Staff	1,034,473	913,894	1,284,787	1,138,398
Board of Education and Administration	1,334,215	1,265,618	1,303,235	1,084,203
Fiscal and Business	436,704	436,704	361,344	361,344
Operation and Maintenance of Plant	1,512,094	1,117,842	1,844,388	492,804
Pupil Transportation	821,989	667,235	705,147	705,147
Central	312,884	248,128	233,433	185,564
Operation of Food Service	661,768	74,389	568,520	(17,907)
Extracurricular Activities	447,501	306,886	420,617	271,193
Interest	401,810	401,810	426,054	426,054
<i>Total Expenses</i>	<i><u>\$15,459,728</u></i>	<i><u>\$12,144,478</u></i>	<i><u>\$14,800,052</u></i>	<i><u>\$9,379,924</u></i>

The dependence upon general revenues for governmental activities is apparent from Table 3. The majority of instructional activities are supported through property taxes and other general revenues.

Financial Analysis of the Government's Funds

Information about the School District's major funds begins with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. General fund revenues outpaced expenditures resulting in an increase in fund balance. The bond retirement debt service fund had an increase in fund balance due primarily to property tax collections outpacing debt service payments for the year. The classroom facilities capital project fund had a decrease in fund balance due primarily to capital outlays exceeding revenues.

General Fund Budgeting Highlights

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

The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, the final budget basis revenue estimate was greater than the original budget estimate. The actual revenues were greater than the final budget basis revenues. This was the result of the School District receiving greater property tax, intergovernmental, interest and tuition and fees revenues than anticipated.

Brookfield Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The final budget appropriations were greater than the original budget appropriations of the general fund. The actual expenditures were less than the final budget appropriations. The change was attributed to less than anticipated operational expenditures as the School District's current year requirements became more apparent.

Capital Assets and Debt

Capital Assets

During fiscal year 2024, the School District's capital asset additions consisted of construction in progress, land improvements, buildings and improvements and vehicles. The middle school remediation project was completed during 2024 and the athletic complex project started. The School District had a vehicle deletion for the current fiscal year. For more information about the School District's capital assets, see Note 9 to the basic financial statements.

Debt

On November 7, 2017, the School District issued \$11,530,000 in general obligation bonds to refund the 2008 general obligation bonds. This allowed the School District to decrease its total debt service payments by \$2,609,854. The school facilities construction bonds included serial and term bonds in the amounts of \$7,380,000 and \$4,150,000, respectively. In fiscal year 2020, the School District issued \$850,000 in financed purchase proceeds specific to acquiring energy efficient equipment and improvements. In fiscal year 2021, the School District issued \$980,800 in financed purchase proceeds specific to building and roof improvements. In fiscal year 2024, the School District issued \$815,000 in financed purchase proceeds specific to athletic facility improvements. The School District's overall debt margin was \$8,627,616 with an unvoted debt margin of \$183,590 at June 30, 2024. For more information about the School District's long-term obligations, see Note 15 to the basic financial statements.

Current Related Financial Activities

The School District has continued to try and reduce expenditures through attrition and vendor contract negotiations. Savings have been allocated towards maintaining a healthy 60 day cash reserve in the general fund.

The School District remains dedicated to fiscal responsibility. The Board of Education and Administration continue to carefully plan in order to provide the resources and education required to meet student needs over the next several years.

Contacting the School District's Financial Management Personnel

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Jordan Weber, Treasurer, Brookfield Local School District, 614 Bedford Road, Brookfield, Ohio 44403.

Basic Financial Statements

Brookfield Local School District

Statement of Net Position

June 30, 2024

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$5,718,364
Cash and Cash Equivalents With Fiscal Agents	645,430
Accounts Receivable	5,299
Intergovernmental Receivable	289,401
Prepaid Items	8,429
Inventory Held for Resale	10,205
Materials and Supplies Inventory	1,702
Property Taxes Receivable	5,787,447
Net OPEB Asset (See Note 13)	762,645
Nondepreciable Capital Assets	1,086,275
Depreciable Capital Assets, Net	<u>28,284,767</u>
<i>Total Assets</i>	<u>42,599,964</u>
Deferred Outflows of Resources	
Deferred Charge on Refunding	187,461
Pension	2,528,059
OPEB	<u>405,835</u>
<i>Total Deferred Outflows of Resources</i>	<u>3,121,355</u>
Liabilities	
Accounts Payable	328,378
Contracts Payable	119,226
Retainage Payable	2,179
Accrued Wages and Benefits	1,080,711
Intergovernmental Payable	288,936
Unearned Revenue	23,649
Matured Compensated Absences Payable	19,256
Matured Leases Payable	2,333
Matured Interest Payable	447
Accrued Interest Payable	184,429
Long-Term Liabilities:	
Due Within One Year	826,419
Due In More Than One Year:	
Net Pension Liability (See Note 12)	10,411,450
OPEB (See Note 13)	604,368
Other Amounts	<u>11,541,110</u>
<i>Total Liabilities</i>	<u>25,432,891</u>
Deferred Inflows of Resources	
Property Taxes	5,109,866
Pension	663,884
OPEB	<u>1,156,424</u>
<i>Total Deferred Inflows of Resources</i>	<u>6,930,174</u>
Net Position	
Net Investment in Capital Assets	18,392,007
Restricted for:	
Capital Projects	1,443,609
Debt Service	797,014
OPEB Plan	762,645
Other Purposes	316,631
Unrestricted (Deficit)	<u>(8,353,652)</u>
<i>Total Net Position</i>	<u>\$13,358,254</u>

See accompanying notes to the basic financial statements

Brookfield Local School District

Statement of Activities
For the Fiscal Year Ended June 30, 2024

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Charges for Services and Sales Expenses	Operating Grants, Interest and Contributions		Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$6,158,851	\$93,540	\$68,413	\$0	(\$5,996,898)
Special	2,070,394	13,943	1,422,659	0	(633,792)
Vocational	267,045	0	185,763	0	(81,282)
Support Services:					
Pupil	765,645	0	47,031	0	(718,614)
Instructional Staff	268,828	0	73,548	0	(195,280)
Board of Education	12,407	0	0	0	(12,407)
Administration	1,321,808	0	68,597	0	(1,253,211)
Fiscal	416,800	0	0	0	(416,800)
Business	19,904	0	0	0	(19,904)
Operation and Maintenance of Plant	1,512,094	41,200	12,633	340,419	(1,117,842)
Pupil Transportation	821,989	0	154,754	0	(667,235)
Central	312,884	0	64,756	0	(248,128)
Operation of Food Services	661,768	125,406	461,973	0	(74,389)
Extracurricular Activities	447,501	140,440	175	0	(306,886)
Interest	401,810	0	0	0	(401,810)
<i>Totals</i>	\$15,459,728	\$414,529	\$2,560,302	\$340,419	(12,144,478)

General Revenues

Property Taxes Levied for:

General Purposes	4,096,821
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Debt Service	989,173
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Other Purposes	64,171
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Grants and Entitlements not

Restricted to Specific Programs	7,748,504
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Unrestricted Contributions	3,751
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Investment Earnings and Other Interest	253,259
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Gain on Sale of Capital Assets	2,320
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Miscellaneous	123,646
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Total General Revenues

13,281,645

Change in Net Position

1,137,167

Net Position Beginning of Year

12,221,087

Net Position End of Year

\$13,358,254

See accompanying notes to the basic financial statements

Brookfield Local School District

*Balance Sheet
Governmental Funds
June 30, 2024*

	General	Bond Retirement	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$3,147,769	\$855,774	\$1,319,558	\$395,263	\$5,718,364
Restricted Assets:					
Cash and Cash Equivalents					
With Fiscal Agents	645,430	0	0	0	645,430
Accounts Receivable	4,679	0	0	620	5,299
Intergovernmental Receivable	141,940	0	0	147,461	289,401
Interfund Receivable	9,898	0	0	0	9,898
Prepaid Items	8,429	0	0	0	8,429
Inventory Held for Resale	0	0	0	10,205	10,205
Materials and Supplies Inventory	0	0	0	1,702	1,702
Property Taxes Receivable	4,553,959	1,166,471	0	67,017	5,787,447
<i>Total Assets</i>	\$8,512,104	\$2,022,245	\$1,319,558	\$622,268	\$12,476,175
Liabilities					
Accounts Payable	\$198,327	\$0	\$0	\$130,051	\$328,378
Contracts Payable	119,226	0	0	0	119,226
Retainage Payable	2,179	0	0	0	2,179
Accrued Wages and Benefits	968,184	0	0	112,527	1,080,711
Interfund Payable	0	0	0	9,898	9,898
Intergovernmental Payable	273,816	0	0	15,120	288,936
Unearned Revenue	0	0	0	23,649	23,649
Matured Compensated Absences Payable	19,256	0	0	0	19,256
Matured Leases Payable	2,333	0	0	0	2,333
Matured Interest Payable	447	0	0	0	447
<i>Total Liabilities</i>	1,583,768	0	0	291,245	1,875,013
Deferred Inflows of Resources					
Property Taxes	4,010,015	1,040,802	0	59,049	5,109,866
Unavailable Revenue	546,514	120,433	0	65,299	732,246
<i>Total Deferred Inflows of Resources</i>	4,556,529	1,161,235	0	124,348	5,842,112
Fund Balances					
Nonspendable	8,429	0	0	1,702	10,131
Restricted	645,430	861,010	1,319,558	320,891	3,146,889
Assigned	1,717,948	0	0	0	1,717,948
Unassigned (Deficit)	0	0	0	(115,918)	(115,918)
<i>Total Fund Balances</i>	2,371,807	861,010	1,319,558	206,675	4,759,050
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	\$8,512,104	\$2,022,245	\$1,319,558	\$622,268	\$12,476,175

See accompanying notes to the basic financial statements

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

Total Governmental Fund Balances	\$4,759,050
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Amounts reported for governmental activities in the statement of net position are different because

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	29,371,042
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Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.	
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Delinquent Property Taxes	649,347
Intergovernmental	57,663
Tuition and Fees	<u>25,236</u>

Total	732,246
-------	---------

Accrued Interest payable is not due and payable in the current period and therefore is not reported in the funds.	(184,429)
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The net pension liability and net OPEB asset/liability are not due and payable in the current period; therefore, the asset/liability and related deferred inflows/outflows are not reported in governmental funds.	
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Net OPEB Asset	762,645
Deferred Outflows - Pension	2,528,059
Deferred Outflows - OPEB	405,835
Net Pension Liability	(10,411,450)
Net OPEB Liability	(604,368)
Deferred Inflows - Pension	(663,884)
Deferred Inflows - OPEB	<u>(1,156,424)</u>

Total	(9,139,587)
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Long-term liabilities payable are not due and payable in the current period and therefore are not reported in the funds.	
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Deferred Charge on Refunding	187,461
General Obligation Bonds	(9,376,652)
Financed Purchases	(2,258,154)
Asset Retirement Obligation	(28,500)
Leases Payable	(53,382)
Compensated Absences	(641,841)
Special Termination Benefits	<u>(9,000)</u>

Total	<u>(12,180,068)</u>
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<i>Net Position of Governmental Activities</i>	<u>\$13,358,254</u>
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See accompanying notes to the basic financial statements

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

	(Formerly Major) Elementary and Secondary School						
	General	Emergency Relief	Bond Retirement	Classroom Facilities	Other Governmental Funds	Total Governmental Funds	
Revenues							
Property Taxes	\$4,073,326	\$0	\$983,023	\$0	\$64,642	\$5,120,991	
Intergovernmental	8,369,953	0	137,903	340,419	2,147,434	10,995,709	
Investment Earnings and Other Interest	184,888	0	0	68,371	15,708	268,967	
Tuition and Fees	63,397	0	0	0	0	63,397	
Extracurricular Activities	36,173	0	0	0	140,440	176,613	
Contributions and Donations	3,751	0	0	0	975	4,726	
Charges for Services	0	0	0	0	125,406	125,406	
Rentals	41,200	0	0	0	0	41,200	
Miscellaneous	123,646	0	0	0	0	123,646	
<i>Total Revenues</i>	<i>12,896,334</i>	<i>0</i>	<i>1,120,926</i>	<i>408,790</i>	<i>2,494,605</i>	<i>16,920,655</i>	
Expenditures							
Current:							
Instruction:							
Regular	5,400,686	0	0	0	123,381	5,524,067	
Special	1,321,334	0	0	0	867,521	2,188,855	
Vocational	17,976	0	0	0	272,803	290,779	
Support Services:							
Pupil	827,894	0	0	0	0	827,894	
Instructional Staff	219,318	0	0	0	75,579	294,897	
Board of Education	12,645	0	0	0	500	13,145	
Administration	1,292,181	0	0	0	139,152	1,431,333	
Fiscal	429,349	0	11,887	0	665	441,901	
Business	70,715	0	0	0	0	70,715	
Operation and Maintenance of Plant	1,369,634	0	0	0	96,436	1,466,070	
Pupil Transportation	708,056	0	0	0	102,614	810,670	
Central	262,839	0	0	0	64,756	327,595	
Operation of Food Services	0	0	0	0	677,127	677,127	
Extracurricular Activities	292,331	0	0	0	161,464	453,795	
Capital Outlay	272,903	0	0	1,008,753	0	1,281,656	
Debt Service:							
Principal Retirement	114,708	0	530,000	0	0	644,708	
Interest	63,751	0	391,838	0	0	455,589	
<i>Total Expenditures</i>	<i>12,676,320</i>	<i>0</i>	<i>933,725</i>	<i>1,008,753</i>	<i>2,581,998</i>	<i>17,200,796</i>	
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>220,014</i>	<i>0</i>	<i>187,201</i>	<i>(599,963)</i>	<i>(87,393)</i>	<i>(280,141)</i>	
Other Financing Sources (Uses)							
Sale of Capital Assets	2,320	0	0	0	0	2,320	
Inception of Lease	63,480	0	0	0	0	63,480	
Finance Purchase Issued	815,000	0	0	0	0	815,000	
Transfers In	0	0	0	0	402,326	402,326	
Transfers Out	(402,326)	0	0	0	0	(402,326)	
<i>Total Other Financing Sources (Uses)</i>	<i>478,474</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>402,326</i>	<i>880,800</i>	
<i>Net Change in Fund Balances</i>	<i>698,488</i>	<i>0</i>	<i>187,201</i>	<i>(599,963)</i>	<i>314,933</i>	<i>600,659</i>	
<i>Fund Balances (Deficit) Beginning of Year:</i>							
As Previously Reported	1,673,319	(424,226)	673,809	1,919,521	315,968	4,158,391	
Adjustment - Change from major fund to nonmajor fund (See Note 21)	0	424,226	0	0	(424,226)	0	
<i>Adjusted Fund Balances (Deficit)</i> <i>Beginning of Year</i>	<i>1,673,319</i>	<i>0</i>	<i>673,809</i>	<i>1,919,521</i>	<i>(108,258)</i>	<i>4,158,391</i>	
<i>Fund Balances End of Year</i>	<i>\$2,371,807</i>	<i>\$0</i>	<i>\$861,010</i>	<i>\$1,319,558</i>	<i>\$206,675</i>	<i>\$4,759,050</i>	

See accompanying notes to the basic financial statements

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

Net Change in Fund Balances - Total Governmental Funds \$600,659

*Amounts reported for governmental activities in the
statement of activities are different because*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.

This is the amount by which capital outlay exceeded depreciation/amortization in the current period.

Capital Asset Additions	1,891,660
Current Year Depreciation/Amortization	<u>(987,781)</u>
Total	903,879

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

Delinquent Property Taxes	29,174
Intergovernmental	(363,167)
Tuition and Fees	<u>7,913</u>
Total	(326,080)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 644,708

Other financing sources in the governmental funds increase long-term liabilities in the statement of net position.

Inception of Lease	(63,480)
Financed Purchase Issued	<u>(815,000)</u>
Total	(878,480)

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

Accrued Interest on Bonds	10,483
Amortization of Deferred Charge on Refunding	(16,416)
Amortization of Premium on Bonds	<u>59,712</u>
Total	53,779

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

Pension	1,034,214
OPEB	<u>27,737</u>
Total	1,061,951

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

Pension	(939,091)
OPEB	<u>102,582</u>
Total	(836,509)

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

Compensated Absences	(80,240)
Special Termination Benefits Payable	<u>(6,500)</u>
Total	(86,740)

Change in Net Position of Governmental Activities \$1,137,167

See accompanying notes to the basic financial statements

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

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Property Taxes	\$4,169,304	\$4,169,304	\$4,071,891	(\$97,413)
Intergovernmental	6,006,593	7,473,895	8,305,164	831,269
Interest	60,694	60,694	184,888	124,194
Tuition and Fees	58,852	58,852	63,505	4,653
Contributions and Donations	368	368	20	(348)
Rentals	26,085	26,085	41,200	15,115
Miscellaneous	208,843	208,843	117,228	(91,615)
<i>Total Revenues</i>	<i>10,530,739</i>	<i>11,998,041</i>	<i>12,783,896</i>	<i>785,855</i>
Expenditures				
Current:				
Instruction:				
Regular	3,672,788	5,107,160	5,059,533	47,627
Special	1,296,824	1,296,824	1,293,134	3,690
Vocational	16,800	17,976	17,976	0
Support Services:				
Pupil	843,286	843,286	838,352	4,934
Instructional Staff	347,418	334,471	249,502	84,969
Board of Education	14,684	14,684	12,645	2,039
Administration	1,235,997	1,234,952	1,165,574	69,378
Fiscal	387,717	429,643	429,643	0
Business	23,796	23,796	21,135	2,661
Operation and Maintenance of Plant	1,350,150	1,445,012	1,445,012	0
Pupil Transportation	687,723	704,299	704,299	0
Central	195,945	257,408	257,408	0
Extracurricular Activities	278,079	292,802	292,331	471
Debt Service:				
Principal Retirement	77,388	99,997	99,997	0
Interest	53,495	59,905	59,905	0
<i>Total Expenditures</i>	<i>10,482,090</i>	<i>12,162,215</i>	<i>11,946,446</i>	<i>215,769</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>48,649</i>	<i>(164,174)</i>	<i>837,450</i>	<i>1,001,624</i>
Other Financing Sources (Uses)				
Advances In	972,272	972,272	137,626	(834,646)
Advances Out	(144,508)	(144,508)	0	144,508
Transfers Out	(41,004)	(41,004)	(402,326)	(361,322)
<i>Total Other Financing Sources (Uses)</i>	<i>786,760</i>	<i>786,760</i>	<i>(264,700)</i>	<i>(1,051,460)</i>
<i>Net Change in Fund Balance</i>	<i>835,409</i>	<i>622,586</i>	<i>572,750</i>	<i>(49,836)</i>
<i>Fund Balance Beginning of Year</i>	<i>2,551,119</i>	<i>2,551,119</i>	<i>2,551,119</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i>\$3,386,528</i>	<i>\$3,173,705</i>	<i>\$3,123,869</i>	<i>(\$49,836)</i>

See accompanying notes to the basic financial statements

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1 - Description of the School District

Brookfield Local School District (the School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by State and federal agencies. The Board of Education controls the School District's 3 instructional/support facilities staffed by 88 certified employees and 48 classified employees who provide services to 1,004 students and other community members.

Reporting Entity

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

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

The School District is associated with two jointly governed organizations and two shared risk pools. These organizations are the North Eastern Ohio Management Information Network, the Trumbull County Career and Technical Center, the Trumbull County Schools Employee Insurance Benefits Consortium and the Schools of Ohio Risk Sharing Authority. These organizations are presented in Notes 16 and 17 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

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

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

Fund Accounting

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

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

The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the School District's major governmental funds:

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

Bond Retirement Fund The bond retirement debt service fund accounts for and reports property tax revenues that are restricted for the payment of principal and interest and fiscal charges on general obligation debt.

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Classroom Facilities Capital Projects Fund The capital facilities capital project fund accounts for and reports grant monies that are restricted for capital projects.

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

Measurement Focus

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

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

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. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 7) Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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, and fees and rentals.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net asset that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension and OPEB plans. 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. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net asset that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension and OPEB plans and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental revenue and tuition and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities fund on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13)

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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 for all funds. The treasurer has been given the authority to allocate Board appropriations to the function and object level within each fund.

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

The appropriation resolution is subject to amendment by the Board throughout the fiscal 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 fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

Cash and Cash Equivalents

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

The School District utilizes a financial institution to service the athletic facility renovation payments as prescribed by the agreements when they come due. The balances in these accounts are presented on the statement of net position as "Cash and Cash Equivalents with Fiscal Agents."

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

STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment Earnings/Interest revenue credited to the general fund during fiscal year 2024 amounted to \$184,888, of which \$21,791 is assigned from other School District funds.

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

Inventory

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which the services are consumed.

Capital Assets

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

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

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

Description	Estimated Lives
<i>Tangible Assets</i>	
Land Improvements	20 years
Buildings and Improvements	7 - 50 years
Furniture and Equipment	5 - 20 years
Vehicles	8 years
<i>Intangible Right to Use</i>	
Lease Assets - Equipment	3 - 5 years

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

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions. Restricted assets in the general fund represent money set aside for the renovation of the athletic facility.

Compensated Absences

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

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

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

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence or employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employee who has accumulated unpaid leave is paid.

Accrued Liabilities and Long-term Obligations

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

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by the School District Board of Education or a School District official delegated that authority by State statute. The Board of Education assigned fund balance for school support instruction and for fiscal year 2025 operations.

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

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws, or regulations of other governments adopted by the School District. Restricted net position for OPEB plans represent the corresponding restricted asset amounts held in trust by the OPEB plan for future benefits. Net position restricted for other purposes include resources restricted for student and athletic activities and school lunch and breakfast programs.

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

Leases Payable

The School District serves as lessee in various noncancelable leases. At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Deferred Charge on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

Bond Premium

On the government-wide financial statements, bond premiums are deferred and amortized for the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are receipted in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Estimates

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

Interfund Balances

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

Internal Activity

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

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

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 3 – Accountability and Compliance

Accountability

Fund balances at June 30, 2024, included the following individual fund deficits:

Special Revenue Funds:

Title I	\$86,440
Title VI-B	20,768
Reducing Class Size	4,985
Equity for Each	3,725

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

Compliance

The School District had appropriations in excess of actual resources in noncompliance with Ohio Revised Code Section 5705.36(A)(4).

The School District had appropriations in excess of estimated resources in noncompliance with Ohio Revised Code Section 5705.39.

The School District did not certify unencumbered balances resulting in overstatement of estimated and available resources in noncompliance with Ohio Revised Code Section 5705.36(A)(1).

Note 4 – Fund Balances

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

Fund Balances	General	Bond Retirement	Classroom Facilities	Other Governmental Funds	Total
<i>Nonspendable</i>					
Materials and Supplies Inventory	\$0	\$0	\$0	\$1,702	\$1,702
Prepaid Items	8,429	0	0	0	8,429
<i>Total Nonspendable</i>	<u>8,429</u>	<u>0</u>	<u>0</u>	<u>1,702</u>	<u>10,131</u>
<i>Restricted</i>					
Food Service	0	0	0	222,231	222,231
Scholarships	0	0	0	885	885
Student Activities and Wellness	0	0	0	62,292	62,292
Data and Information Systems	0	0	0	30,755	30,755
Grants for Education	0	0	0	4,415	4,415
Debt Service Payments	0	861,010	0	0	861,010
Capital Improvements	645,430	0	1,319,558	313	1,965,301
<i>Total Restricted</i>	<u>645,430</u>	<u>861,010</u>	<u>\$1,319,558</u>	<u>313</u>	<u>\$320,891</u>
					<u>\$3,146,889</u>

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Fund Balances	General	Bond Retirement	Classroom Facilities	Other Governmental Funds	Total
<i>Assigned to</i>					
Fiscal Year 2025 Operations	\$1,688,825	\$0	\$0	\$0	\$1,688,825
School Support Instruction	29,123	0	0	0	29,123
<i>Total Assigned</i>	<u>1,717,948</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,717,948</u>
<i>Unassigned (Deficit)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(115,918)</u>	<u>(115,918)</u>
<i>Total Fund Balances</i>	<u><u>\$2,371,807</u></u>	<u><u>\$861,010</u></u>	<u><u>\$1,319,558</u></u>	<u><u>\$206,675</u></u>	<u><u>\$4,759,050</u></u>

Note 5 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Budgetary revenues and expenditures of the public school support special revenue fund is classified to the general fund for GAAP reporting.
4. Unrecorded cash represents amounts received but not reported by the School District on the operating statements (budget), but which is reported on the GAAP basis operating statements.
5. Advances in are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP).

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance	
	<u>General</u>
GAAP Basis	\$698,488
Revenue Accruals	(74,854)
Advance In	137,626
Expenditure Accruals	458,577
Ending unrecorded cash	(645,430)
Perspective Difference:	
Public School Support	<u>(1,657)</u>
Budget Basis	<u><u>\$572,750</u></u>

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 6 - Deposits and Investments

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

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

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

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

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State. For fiscal year 2024, the School District's financial institutions had a required collateral rate of 102 percent through the OPCS, which the School District had 107.04 percent collateralized.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio), 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. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

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.

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.

At June 30, 2024, the carrying amount of the School District's deposits was \$5,567,417 and the bank balance of all School District deposits was \$5,590,261. Of the bank balance, \$250,000 was covered by the FDIC, and the remaining \$5,340,261 was covered by the Ohio Pooled Collateral System with no amounts exposed to custodial credit risk as \$5,745,330 was collateralized at June 30, 2024.

Investments

As of June 30, 2024, the School District had STAR Ohio as an investment. STAR Ohio is being held with an amount of \$150,947 which is measured at net asset value per share. The average maturity is 46.5 days.

Credit Risk STAR Ohio carries a rating of AAAm by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization. The School District has no investment policy that addresses credit risk beyond the requirements in State statutes.

Interest Rate Risk The School District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date purchased, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenues received in calendar year 2024 represent the collection of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed values as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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 2024 represent the collection of calendar year 2023 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien on December 31, 2022, were levied after April 1, 2023, 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 School District receives property taxes from Trumbull County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2024 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2024, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 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 to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2024, was \$22,666 in the general fund, \$5,236 in the bond retirement debt service fund and \$332 in the classroom facilities maintenance special revenue fund. The amount available as an advance at June 30, 2023, was \$21,231 in the general fund, \$4,874 in the bond retirement debt service fund and \$346 in the classroom facilities maintenance special revenue fund.

On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

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

	2023 Second Half Collections		2024 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$127,012,760	86.68%	\$163,622,030	89.12%
Public Utility Personal	19,515,210	13.32	19,968,150	10.88
Total	<u>\$146,527,970</u>	<u>100.00%</u>	<u>\$183,590,180</u>	<u>100.00%</u>
Full Tax Rate per \$1,000 of assessed valuation		\$55.90		\$55.90

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 8 - Receivables

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

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
State of Ohio	\$104,519
US Department of Agriculture Grant	64,757
Title I Grant	59,136
School Foundation Adjustments	26,701
Ohio Department of Education and Workforce	13,796
Youngstown State University	7,062
Class Size Reduction Grant	4,984
Equity for Each Grant	3,725
SERS Overpayment Refund	3,658
Title VI-B Grant	1,063
Total	\$289,401

Note 9 – Capital Assets

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

Governmental Activities	Balance			Balance
	6/30/2023	Additions	Deductions	6/30/2024
<i>Nondepreciable Capital Assets</i>				
<i>Land</i>				
Land	\$776,351	\$0	\$0	\$776,351
Construction in Progress	1,741,876	1,625,590	(3,057,542)	309,924
Total Nondepreciable Capital Assets	2,518,227	1,625,590	(3,057,542)	1,086,275
<i>Depreciable Capital Assets</i>				
<i>Tangible Assets</i>				
Land Improvements	1,497,062	26,770	0	1,523,832
Buildings and Improvements	32,382,144	3,117,801	0	35,499,945
Furniture and Equipment	1,485,827	0	(55,585)	1,430,242
Vehicles	961,190	115,561	(55,557)	1,021,194
Total Tangible Assets	36,326,223	3,260,132	(111,142)	39,475,213
<i>Intangible Right to Use - Lease Assets</i>				
Intangible Right to Use - Equipment	5,794	63,480	0	69,274
Total Depreciable Capital Assets	\$36,332,017	\$3,323,612	(\$111,142)	\$39,544,487

Continued

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

	Balance 6/30/2023	Additions	Deductions	Balance 6/30/2024
Governmental Activities - Continued				
<i>Less Accumulated Depreciation/Amortization</i>				
<i>Depreciation</i>				
Land Improvements	(\$955,199)	(\$72,187)	\$0	(\$1,027,386)
Buildings and Improvements	(8,112,372)	(713,117)	0	(8,825,489)
Furniture and Equipment	(628,718)	(117,324)	55,585	(690,457)
Vehicles	(685,054)	(71,298)	55,557	(700,795)
<i>Total Depreciation</i>	<u>(10,381,343)</u>	<u>(973,926)</u>	<u>111,142</u>	<u>(11,244,127)</u>
<i>Amortization</i>				
<i>Intangible Right to Use - Lease Assets</i>				
Intangible Right to Use - Equipment	(1,738)	(13,855)	0	(15,593)
<i>Total Accumulated Depreciation/Amortization</i>	<u>(10,383,081)</u>	<u>(987,781)</u> *	<u>111,142</u>	<u>(11,259,720)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>25,948,936</u>	<u>2,335,831</u>	<u>0</u>	<u>28,284,767</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$28,467,163</u>	<u>\$3,961,421</u>	<u>(\$3,057,542)</u>	<u>\$29,371,042</u>

*Depreciation/Amortization expense was charged to governmental activities as follows:

	Depreciation	Amortization	Total
Instruction:			
Regular	\$717,201	\$0	\$717,201
Support Services:			
Business	7,043	13,855	20,898
Operation and Maintenance of Plant	132,475	0	132,475
Pupil Transportation	72,684	0	72,684
Food Service Operation	25,356	0	25,356
Extracurricular Activities	19,167	0	19,167
<i>Total Depreciation/Amortization Expense</i>	<u>\$973,926</u>	<u>\$13,855</u>	<u>\$987,781</u>

Note 10 - Contingencies

Grants

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

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) is legislatively required to

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, all DEW adjustments for fiscal year 2024 have been finalized.

Litigation

As of June 30, 2024, the School District was party to legal proceedings.

Note 11 - Risk Management

Property and Liability

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

General liability insurance is maintained in the amount of \$15,000,000 for each occurrence and \$17,000,000 in the aggregate.

The School District maintains fleet insurance in the amount of \$15,000,000 for any one accident or loss.

The School District maintains replacement cost insurance on buildings and contents. There is no longer a defined dollar amount. The certificate reads, "Total insured value as reported to SORSA, subject to \$350,000,000 all members aggregate, any one occurrence."

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

Employee Health Benefits

The School District has contracted with the Trumbull County Schools Employee Insurance Benefits Consortium to provide employee medical/surgical/prescription drug benefits. The Trumbull County Schools Employee Insurance Benefits Consortium is a shared risk pool comprised of sixteen Trumbull County school districts. Rates are set through a semi-annual calculation process. The School District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow. The board of directors has the right to return monies to an exiting district subsequent to the settlement of all expenses and claims. Employees can choose between two different medical/surgical/prescription plans. The School District provides full-time employees hired in July 2008 and prior with 95 percent Board paid hospitalization and prescription drugs. For full-time employees hired after July 2008, the Board paid 90 percent of the premiums for hospitalization and prescription drugs. If the School District were to withdraw from the consortium, the district is responsible depending upon the reserve vs. claims. The School District provides dental coverage through the Trumbull County School Employee Insurance Benefits Consortium. The School District pays 100 percent of the dental premium for full-time employees.

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Worker's Compensation

The School District pays the Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

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

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

Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the School 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 proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

School Employees Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, 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 on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

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

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

The School District's contractually required contribution to SERS was \$224,912 for fiscal year 2024. Of this amount \$21,442 is reported as an intergovernmental payable.

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. 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 34 years of service credit at any age.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the 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 at age fifty and after termination of employment.

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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 2024 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2024, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$809,302 for fiscal year 2024. Of this amount \$117,283 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.03559630%	0.03921336%	
Prior Measurement Date	0.03337890%	0.03797775%	
Change in Proportionate Share	<u>0.00221740%</u>	<u>0.00123561%</u>	
Proportionate Share of the Net			
Pension Liability	\$1,966,879	\$8,444,571	\$10,411,450
Pension Expense	\$216,553	\$722,538	\$939,091

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$84,541	\$307,871	\$392,412
Changes of assumptions	13,933	695,456	709,389
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	87,900	304,144	392,044
School District contributions subsequent to the measurement date	224,912	809,302	1,034,214
Total Deferred Outflows of Resources	<u>\$411,286</u>	<u>\$2,116,773</u>	<u>\$2,528,059</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$18,739	\$18,739
Changes of assumptions	0	523,479	523,479
Net difference between projected and actual earnings on pension plan investments	27,646	25,309	52,955
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	10,401	58,310	68,711
Total Deferred Inflows of Resources	<u>\$38,047</u>	<u>\$625,837</u>	<u>\$663,884</u>

\$1,034,214 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	\$37,792	(\$27,982)	\$9,810
2026	(41,296)	(179,209)	(220,505)
2027	150,365	886,445	1,036,810
2028	1,466	2,380	3,846
Total	<u>\$148,327</u>	<u>\$681,634</u>	<u>\$829,961</u>

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.

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

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

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

Inflation	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

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

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2023:

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	
Cash	2.00 %	0.75	%
US Equity	24.75	4.82	
Non-US Equity Developed	13.50	5.19	
Non-US Equity Emerging	6.75	5.98	
Fixed Income/Global Bonds	19.00	2.24	
Private Equity	12.00	7.49	
Real Estate/Real Assets	17.00	3.70	
Private Debt/Private Credit	<u>5.00</u>	5.64	
Total	<u>100.00 %</u>		

Discount Rate The total pension liability for 2023 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2023 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

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

	Current		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$2,903,013	\$1,966,879	\$1,178,364

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2023, actuarial valuation are presented below:

Inflation	2.50 percent
Salary increases	From 2.5 percent to 8.5 percent based on service
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

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

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

Asset Class	Target Allocation *	Long-Term Expected 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	<u><u>100.00%</u></u>	

* Final target weights reflected at October 1, 2022.

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

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

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

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$12,985,884	\$8,444,571	\$4,603,866

Note 13 - Defined Benefit OPEB Plans

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

School Employees Retirement System (SERS)

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. 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.

The Health Care program is financed through a combination of employer contributions, recipient premiums, investment returns, and any funds received on behalf of SERS' participation in Medicare programs. The System's goal is to maintain a health care reserve account with a 20-year solvency period in order to ensure that fluctuations in the cost of health care do not cause an interruption in the program. However, during any period in which the 20-year solvency period is not achieved, the System shall manage the Health Care Fund on a pay-as-you-go basis.

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned.

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the School District's surcharge obligation was \$27,737.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$27,737 for fiscal year 2024. Of this amount \$27,737 is reported as an intergovernmental payable.

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. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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

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

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.03668520%	0.03921336%	
Prior Measurement Date	0.03425160%	0.03797775%	
Change in Proportionate Share	<u>0.00243360%</u>	<u>0.00123561%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$604,368	\$0	\$604,368
Net OPEB (Asset)	\$0	(\$762,645)	(\$762,645)
OPEB Expense	(\$53,118)	(\$49,464)	(\$102,582)

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

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$1,259	\$1,189	\$2,448
Changes of assumptions	204,355	112,349	316,704
Net difference between projected and actual earnings on OPEB plan investments	4,684	1,361	6,045
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	52,775	126	52,901
School District contributions subsequent to the measurement date	<u>27,737</u>	<u>0</u>	<u>27,737</u>
Total Deferred Outflows of Resources	<u><u>\$290,810</u></u>	<u><u>\$115,025</u></u>	<u><u>\$405,835</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$311,696	\$116,322	\$428,018
Changes of assumptions	171,647	503,182	674,829
Changes in Proportionate Share and difference between School District contributions and proportionate share of contributions	<u>36,180</u>	<u>17,397</u>	<u>53,577</u>
Total Deferred Inflows of Resources	<u><u>\$519,523</u></u>	<u><u>\$636,901</u></u>	<u><u>\$1,156,424</u></u>

\$27,737 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase to the net OPEB asset in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	(\$93,916)	(\$233,884)	(\$327,800)
2026	(77,838)	(104,682)	(182,520)
2027	(48,401)	(40,415)	(88,816)
2028	(28,732)	(54,111)	(82,843)
2029	(20,074)	(49,667)	(69,741)
Thereafter	<u>12,511</u>	<u>(39,117)</u>	<u>(26,606)</u>
Total	<u><u>(\$256,450)</u></u>	<u><u>(\$521,876)</u></u>	<u><u>(\$778,326)</u></u>

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.

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

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

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

<u>June 30, 2023</u>	
Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2048
Municipal Bond Index Rate:	
Measurement Date	3.86 percent
Prior Measurement Date	3.69 percent
Single Equivalent Interest Rate,	
Measurement Date	4.27 percent
Prior Measurement Date	4.08 percent
Health Care Cost Trend Rate	
Medical Trend Assumption	
Measurement Date	6.75 to 4.40 percent
Prior Measurement Date	7.00 to 4.40 percent

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

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

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

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
School District's proportionate share of the net OPEB liability	\$772,556	\$604,368	\$471,746
	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$444,009	\$604,368	\$816,867

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2023, actuarial valuation compared to the prior year are presented below:

	June 30, 2023	June 30, 2022
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 4.14 percent ultimate	7.50 percent initial 3.94 percent ultimate
Medicare	-10.94 percent initial 4.14 percent ultimate	-68.78 percent initial 3.94 percent ultimate
Prescription Drug		
Pre-Medicare	-11.95 percent initial 4.14 percent ultimate	9.00 percent initial 3.94 percent ultimate
Medicare	1.33 percent initial 4.14 percent ultimate	-5.47 percent initial 3.94 percent ultimate

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

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

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

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

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

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

	Current		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB (asset)	(\$645,480)	(\$762,645)	(\$864,685)
School District's proportionate share of the net OPEB (asset)	1% Decrease	Current Trend Rate	1% Increase
	(\$869,420)	(\$762,645)	(\$634,038)

Note 14 - Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn five to twenty days of vacation per year, depending upon length of service and hours worked. The Superintendent earns 20 days of vacation and the Treasurer earns 25 days of vacation annually. Accumulated, unused vacation is paid to employees upon termination of employment. Teachers do not earn vacation.

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, certificated employees with ten or more years of service receive payment for twenty-five percent of the total sick leave accumulation up to a maximum of 75 days. Classified employees with ten or more years of service upon retirement may accumulate up to 380 days of unused sick leave and be paid 30 percent of accumulated, but unused, sick leave days up to a maximum of 100 equivalent days paid at the per diem rate of pay per employee.

Special Termination Benefits

Per negotiated agreements, the School District offers a retirement notification incentive payment for eligible classified and certified employees. Employees are eligible if the employee retires from the School Employee's Retirement System or School Teacher Retirement System. For fiscal year 2024, the incentive is \$5,000 for classified employees, if the School District is notified, in writing, by January 31, 2024, with an effective retirement date no later than June 30, 2024. For fiscal year 2024, the incentive for certified employees is \$7,500 with written notice before November 1, 2023, \$5,500 with written notice before January 15, 2024 and \$4,000 with written notice before March 1, 2024. One classified employee and one certified employee were eligible for the retirement incentive in fiscal year 2024.

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Life Insurance Benefits

The School District provides life insurance to all employees through Ohio Schools Council life insurance in the amount of \$100,000 for the superintendent, \$70,000 for the treasurer, \$50,000 for other full-time employees and \$40,000 for part-time employees. Premiums are paid by the School District.

Note 15 - Long-Term Obligations

Original issue amounts and interest rates of the School District's debt issues were as follows:

Debt Issue	Interest Rate	Original Issue	Fiscal Year of maturity
2017 Refunding OSFC Various Purpose Imp Bonds:			
Serial Bonds	4.00% to 5.00%	\$7,380,000	2031
Term Bonds	3.25% to 3.375%	4,150,000	2036
Financed Purchase - 2020 Energy Conservation	3.88%	850,000	2035
Financed Purchase - 2021 Building - Direct Placement	4.00%	980,800	2036
Financed Purchase - 2024 Athletic Facility - Direct Placement	5.21%	815,000	2034

Changes in long-term obligations of the School District during fiscal year 2024 were as follows:

	Principal Outstanding 6/30/23	Additions	Deductions	Principal Outstanding 6/30/24	Amounts Due in One Year
	6/30/23	Additions	Deductions	6/30/24	One Year
<i>General Obligation Bonds</i>					
2017 Refunding OSFC Various Purpose					
Serial Bonds	\$5,075,000	\$0	(\$530,000)	\$4,545,000	\$560,000
Term Bonds	4,150,000	0	0	4,150,000	0
Unamortized Premium	741,364	0	(59,712)	681,652	0
<i>Total General Obligation Bonds</i>	<u>9,966,364</u>	<u>0</u>	<u>(589,712)</u>	<u>9,376,652</u>	<u>560,000</u>
<i>Financed Purchases from Direct Borrowing</i>					
2020 Energy Conservation	704,280	0	(47,093)	657,187	48,938
2021 Building - Direct Placement	838,871	0	(52,904)	785,967	55,041
2024 Athletic Facility - Direct Placement	0	815,000	0	815,000	68,671
<i>Total Financed Purchases from Direct Borrowing</i>	<u>1,543,151</u>	<u>815,000</u>	<u>(99,997)</u>	<u>2,258,154</u>	<u>172,650</u>
<i>Other Long-Term Obligations</i>					
Net Pension Liability					
SERS	1,805,392	161,487	0	1,966,879	0
STRS	8,442,503	2,068	0	8,444,571	0
<i>Total Net Pension Liability</i>	<u>10,247,895</u>	<u>163,555</u>	<u>0</u>	<u>10,411,450</u>	<u>0</u>
Net OPEB Liability					
SERS	480,896	123,472	0	604,368	0
Lease Payable	4,613	63,480	(14,711)	53,382	15,663
Asset Retirement Obligation	28,500	0	0	28,500	0
Compensated Absences	561,601	157,245	(77,005)	641,841	69,106
Special Termination Benefits	2,500	9,000	(2,500)	9,000	9,000
<i>Total Other Long-Term Obligations</i>	<u>11,326,005</u>	<u>516,752</u>	<u>(94,216)</u>	<u>11,748,541</u>	<u>93,769</u>
<i>Total Governmental Activities</i>					
<i>Long-Term Liabilities</i>	<u><u>\$22,835,520</u></u>	<u><u>\$1,331,752</u></u>	<u><u>(\$783,925)</u></u>	<u><u>\$23,383,347</u></u>	<u><u>\$826,419</u></u>

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

The general obligation bonds will be paid from the bond retirement debt service fund. There are no repayment schedules for the net pension liability and net OPEB liability. However, employer pension and OPEB contributions are made from the following funds: the general fund and the food service, student wellness and title I special revenue funds. Leases payable and financed purchases will be paid from the general fund. The asset retirement obligation will be paid from the general fund. Compensated absences will be paid from the general fund and the food service, Title I and reducing class size special revenue funds. Special termination benefits will be paid from the general fund. For additional information related to the net pension/OPEB liability see Notes 12 and 13, respectively.

On November 7, 2017, the School District issued \$11,530,000 in general obligation bonds to refund 2008 general obligation bonds. The school facilities construction bonds included serial and term bonds in the amounts of \$7,380,000 and \$4,150,000, respectively. The bonds were issued for a nineteen year period with a final maturity at January 15, 2036.

The refunding bonds were sold at a premium of \$1,074,756. Net proceeds of \$12,520,533 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the various bonds. As a result, \$10,365,000 of these bonds is considered defeased and the liability of these bonds has been removed from the School District's financial statements.

During fiscal year 2020, the School District entered into a lease purchase financing in the amount of \$850,000 for the purpose of acquiring energy efficiency equipment and improvements. This debt will be repaid over a fifteen year period with a final payment being made in fiscal year 2035. At June 30, 2024, all of the lease purchase proceeds have been spent.

On May 25, 2021, the School District entered into a \$980,800 base lease and lease-purchase agreement with Consumers National Bank for the construction, improvement, furnishing and equipping of project facilities related to the remediation and repair of School District buildings. The initial term of the lease expires on June 30, 2021, with the right to renew for successive one-year terms (with a final partial-year term through June 1, 2035. The lease payments will be paid from property taxes received in the general fund. The lease proceeds issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The lease proceeds have been designated to be "qualified tax exempt obligations" within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to Consumers National Bank, and then subleased back to the School District. The lease proceeds were issued through a series of annual leases with an initial lease term of one year which includes the right to renew for seven successive one-year terms through fiscal year 2036 subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component of 4 percent. The School District has the option to purchase the renovations on any lease payment date by paying the amount necessary to defease the indenture.

During fiscal year 2024, the School District entered into a lease purchase financing in the amount of \$815,000 for the purpose of athletic facility improvements. This debt will be repaid over a ten year period with a final payment being made in fiscal year 2034. At June 30, 2024, \$645,430 of the lease purchase proceeds were unspent.

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

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Year	Principal	Interest
2025	\$15,663	\$2,894
2026	16,703	1,854
2027	16,882	737
2028	4,134	36
	<u>\$53,382</u>	<u>\$5,521</u>

The School District's overall debt margin was \$8,689,126 with an unvoted debt margin of \$183,590 at June 30, 2024. Principal and interest requirements to retire general obligation bonds and financed purchases are as follows:

	From Direct Borrowing					
	General Obligation Bonds		Financed Purchase		Direct Placement	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$560,000	\$365,336	\$48,938	\$25,028	\$123,712	\$67,184
2026	585,000	337,338	50,855	23,112	124,189	66,708
2027	615,000	308,088	52,848	21,119	130,035	60,861
2028	650,000	277,338	54,918	19,049	136,079	54,816
2029	680,000	244,838	57,070	16,897	142,576	48,317
2030-2034	3,865,000	723,901	320,689	49,146	820,463	134,014
2035-2036	1,740,000	88,592	71,869	2,098	123,913	4,988
Total	<u>\$8,695,000</u>	<u>\$2,345,431</u>	<u>\$657,187</u>	<u>\$156,449</u>	<u>\$1,600,967</u>	<u>\$436,888</u>

Note 16 - Jointly Governed Organizations

North Eastern Ohio Management Information Network (NEOMIN) NEOMIN is a jointly governed organization among thirty school districts in Trumbull and Ashtabula Counties. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the districts supports NEOMIN based upon a per pupil charge. The School District paid \$38,237 to NEOMIN during fiscal year 2024.

The Governing board consists of ten members: The Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County participating school districts, three superintendents from Trumbull County participating school districts, the fiscal agent or NEOMIN). The School District was not represented on the Governing Board during fiscal year 2024. The degree of control exercised by any participating school district is limited to its representation on the Governing Board. To obtain a copy of NEOMIN's financial statements, write to NEOMIN, 528 Educational Highway, Warren, Ohio 44483.

Trumbull County Career and Technical Center The Trumbull County Career and Technical Center is a distinct political subdivision of the State of Ohio providing vocational needs of the students. The center is operated under the direction of a Board consisting of one representative from each of the twenty participating school districts' elected boards, which exercises total control over the operations of the Trumbull County Career and Technical Center including budgeting, appropriating, contracting and designating management. The degree of control exercised by any participating school district is limited to its representation on the

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Governing Board. The School District did not contribute any amounts to the Trumbull County Career and Technical Center during fiscal year 2024. To obtain financial information write to the Trumbull County Career and Technical Center, Cody Holecko, who serves as Treasurer, at 528 Educational Highway, Warren, Ohio 44483.

Note 17 – Shared Risk Pools

Trumbull County Schools Employee Insurance Benefits Consortium The School District participates in the Trumbull County Schools Employee Insurance Consortium. This is a shared risk pool comprised of sixteen Trumbull County School Districts. The Consortium 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 Consortium. Consortium revenues are generated from charges for services.

Schools of Ohio Risk Sharing Authority The School District participates in the Schools of Ohio Risk Sharing Authority (SORSA), a risk sharing pool with over 65 members. SORSA is a 100 percent member-owned, non-profit insurance risk pool owned and governed by the school district members. SORSA is governed by a Board of Directors comprised of representatives of school districts that participate in the program.

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

Note 18 - Set-Aside Calculations

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

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

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

	<u>Capital Improvements</u>
Set-Aside Balance as of June 30, 2023	\$0
Current Year Set-aside Requirement	219,069
Current Year Offsets	(921,838)
Qualifying Disbursements	<u>(229,812)</u>
 Total	 <u>(\$932,581)</u>
 Set-aside Balance Carried Forward to Future Fiscal Years	 <u>\$0</u>
 Set-Aside Balance as of June 30, 2024	 <u>\$0</u>

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

Note 19 – Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, there were no encumbrances expected to be honored upon performance by the vendor in the next year.

Note 20 - Interfund Transactions

Interfund Transfers

Transfers made during the fiscal year ended June 30, 2024 were as follows:

	<u>Transfers From</u>
Transfers To	<u>General</u>
Other Governmental Funds	
Elementary and Secondary School Emergency Relief	\$360,000
Classroom Facilities Maintenance	23,063
Athletics	<u>19,263</u>
<i>Total Transfers</i>	 <u>\$402,326</u>

The general fund transfers to all funds were to provide additional resources for current operations.

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Interfund Balances

The interfund receivables and payables are advances due to the timing of the receipt of grant monies received by various funds. The general fund advanced \$9,898 to the Title I special revenue fund. The general fund provides money to operate the programs until grants are received and the advances can be repaid. These advances are expected to be repaid within the next fiscal year.

Note 21 – Change in Accounting Principle

Change in Accounting Principles

For fiscal year 2024, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, and related guidance from GASB Implementation Guide No. 2023-1, *Implementation Guidance Update — 2023*. The School District also implemented Question 5.1 from GASB Implementation Guide No. 2021-1, *Implementation Guidance Update — 2021*.

GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision-useful, understandable, and comprehensive information for users about accounting changes and error corrections.

Question 5.1 from Implementation Guide 2021-1 addresses the collective significance of applying the capitalization threshold to individual items in a group of assets. The School District reviewed its capital asset groupings and determined there were no asset groups where individually the assets were under the capitalization threshold yet were significant collectively.

The implementation of GASB Statement No. 100 and GASB Implementation Guides 2021-1 and 2023-1 did not have any effect on beginning net position/fund balance.

In an effort to promote comparability with other governments, the School District updated its calculation of net position restricted for OPEB plans for fiscal year 2024. This change had no impact on beginning net position, but rather reclassified the amounts presented as net position restricted for OPEB plans and unrestricted net position.

Change within the Financial Reporting Entity

For fiscal year 2024, the Elementary and Secondary School Emergency Relief Program (ESSER) special revenue fund presentation was adjusted from major to nonmajor due to no longer meeting the quantitative threshold for a major fund. This change is separately displayed in the financial statements.

Note 22 – Asset Retirement Obligation

The Governmental Accounting Standard Board's (GASB) Statement No. 83, Certain Asset Retirement Obligations, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The Bureau of Underground

Brookfield Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Storage Tank Regulations (BUSTR) regulates petroleum and hazardous substances stored in underground storage tanks. These regulations are included in Ohio Administrative Code Section 1301-7-9 and require a School District classified as an “owner” or “operator,” to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for that year it is not being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination. This asset retirement obligation (ARO) of \$28,500 associated with the School District’s underground storage tanks was estimated by the School District. These USTs are fully depreciated. The School District maintains insurance related to any potential pollution remediation associated with the USTs.

Note 23 – 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 2024, the School District received COVID-19 funding. The School District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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

	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.03559630%	0.03337890%	0.03399300%	0.03338300%
School District's Proportionate Share of the Net Pension Liability	\$1,966,879	\$1,805,392	\$1,254,243	\$2,208,022
School District's Covered Payroll	\$1,426,729	\$1,268,657	\$1,178,050	\$1,159,550
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	137.86%	142.31%	106.47%	190.42%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%	68.55%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
0.03420910%	0.03295040%	0.03654420%	0.03806610%	0.04081070%	0.04376100%
\$2,046,791	\$1,887,131	\$2,183,434	\$2,786,088	\$2,328,699	\$2,214,720
\$1,207,304	\$1,126,674	\$1,151,514	\$1,186,893	\$1,226,579	\$1,279,581
169.53%	167.50%	189.61%	234.74%	189.85%	173.08%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%

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

	2024	2023	2022	2021
School District's Proportion of the Net OPEB Liability	0.03668520%	0.03425160%	0.03511780%	0.03479130%
School District's Proportionate Share of the Net OPEB Liability	\$604,368	\$480,896	\$664,634	\$756,128
School District's Covered Payroll	\$1,426,729	\$1,268,657	\$1,178,050	\$1,159,550
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	42.36%	37.91%	56.42%	65.21%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%	18.17%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.03505000%	0.03348760%	0.03711980%	0.03859410%
\$881,434	\$929,035	\$996,198	\$1,100,075
\$1,207,304	\$1,126,674	\$1,151,514	\$1,186,893
73.01%	82.46%	86.51%	92.69%
15.57%	13.57%	12.46%	11.49%

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

	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.03921336%	0.03797775%	0.03690684%	0.03652899%
School District's Proportionate Share of the Net Pension Liability	\$8,444,571	\$8,442,503	\$4,718,870	\$8,838,717
School District's Covered Payroll	\$5,430,600	\$5,001,800	\$4,584,250	\$4,389,164
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	155.50%	168.79%	102.94%	201.38%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	78.90%	87.80%	75.50%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
0.03783620%	0.03853832%	0.03995084%	0.03990379%	0.03870039%	0.03868382%
\$8,367,249	\$8,473,711	\$9,490,408	\$13,357,001	\$10,695,655	\$9,409,243
\$4,442,807	\$4,399,750	\$4,402,829	\$4,217,414	\$4,030,007	\$3,948,564
188.33%	192.60%	215.55%	316.71%	265.40%	238.30%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%

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

	2024	2023	2022	2021
School District's Proportion of the Net OPEB Asset/Liability	0.03921336%	0.03797775%	0.03690684%	0.03652899%
School District's Proportionate Share of the Net OPEB (Asset) Liability	(\$762,645)	(\$983,371)	(\$778,150)	(\$641,997)
School District's Covered Payroll	\$5,430,600	\$5,001,800	\$4,584,250	\$4,389,164
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-14.04%	-19.66%	-16.97%	-14.63%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	168.50%	230.70%	174.70%	182.10%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.03783620%	0.03853832%	0.03995084%	0.03990379%
(\$626,659)	(\$619,272)	\$1,558,733	\$2,134,065
\$4,442,807	\$4,399,750	\$4,402,829	\$4,217,414
-14.11%	-14.08%	35.40%	50.60%
174.70%	176.00%	47.10%	37.30%

Brookfield Local School District
Required Supplementary Information
Schedule of the School District's Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net Pension Liability				
Contractually Required Contribution	\$224,912	\$199,742	\$177,612	\$164,927
Contributions in Relation to the Contractually Required Contribution	<u>(224,912)</u>	<u>(199,742)</u>	<u>(177,612)</u>	<u>(164,927)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
School District Covered Payroll (1)	\$1,606,514	\$1,426,729	\$1,268,657	\$1,178,050
Pension Contributions as a Percentage of Covered Payroll	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>
Net OPEB Liability				
Contractually Required Contribution (2)	\$27,737	\$27,122	\$22,989	\$22,868
Contributions in Relation to the Contractually Required Contribution	<u>(27,737)</u>	<u>(27,122)</u>	<u>(22,989)</u>	<u>(22,868)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
OPEB Contributions as a Percentage of Covered Payroll	<u><u>1.73%</u></u>	<u><u>1.90%</u></u>	<u><u>1.81%</u></u>	<u><u>1.94%</u></u>
Total Contributions as a Percentage of Covered Payroll (2)	<u><u>15.73%</u></u>	<u><u>15.90%</u></u>	<u><u>15.81%</u></u>	<u><u>15.94%</u></u>

(1) The School District's covered payroll is the same for Pension and OPEB.

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
\$162,337	\$162,986	\$152,101	\$161,212	\$166,165	\$161,663
<u>(162,337)</u>	<u>(162,986)</u>	<u>(152,101)</u>	<u>(161,212)</u>	<u>(166,165)</u>	<u>(161,663)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$1,159,550	\$1,207,304	\$1,126,674	\$1,151,514	\$1,186,893	\$1,226,579
<u><u>14.00%</u></u>	<u><u>13.50%</u></u>	<u><u>13.50%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>13.18%</u></u>
\$23,059	\$27,395	\$23,988	\$20,397	\$19,607	\$31,851
<u>(23,059)</u>	<u>(27,395)</u>	<u>(23,988)</u>	<u>(20,397)</u>	<u>(19,607)</u>	<u>(31,851)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u><u>1.99%</u></u>	<u><u>2.27%</u></u>	<u><u>2.13%</u></u>	<u><u>1.77%</u></u>	<u><u>1.65%</u></u>	<u><u>2.60%</u></u>
<u><u>15.99%</u></u>	<u><u>15.77%</u></u>	<u><u>15.63%</u></u>	<u><u>15.77%</u></u>	<u><u>15.65%</u></u>	<u><u>15.78%</u></u>

Brookfield Local School District
Required Supplementary Information
Schedule of the School District's Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net Pension Liability				
Contractually Required Contribution	\$809,302	\$760,284	\$700,252	\$641,795
Contributions in Relation to the Contractually Required Contribution	<u>(809,302)</u>	<u>(760,284)</u>	<u>(700,252)</u>	<u>(641,795)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
School District Covered Payroll	\$5,780,729	\$5,430,600	\$5,001,800	\$4,584,250
Pension Contributions as a Percentage of Covered Payroll	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>
Net OPEB Liability (Asset) (1)				

(1) Although the covered payroll for the net OPEB liability is the same as the net pension liability, there were no OPEB related required contributions for 2015-2024, STRS did not allocate any employer contributions to postemployment health care; therefore, there is no required supplementary information to present related to the statutorily established employer contribution requirements for the net OPEB liability.

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
\$614,483	\$621,993	\$615,965	\$616,396	\$590,438	\$564,201
<u>(614,483)</u>	<u>(621,993)</u>	<u>(615,965)</u>	<u>(616,396)</u>	<u>(590,438)</u>	<u>(564,201)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$4,389,164	\$4,442,807	\$4,399,750	\$4,402,829	\$4,217,414	\$4,030,007
<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>

Brookfield Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

Net Pension Liability

Changes in Benefit Terms/Assumptions – SERS

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent. The COLA was suspended for 2018-2020. Prior to 2018, an assumption of 3 percent was used. For 2021, the cost-of living adjustment was reduced from 2.5 percent to 2 percent. For 2023 and 2024, the cost-of-living adjustment was increased from 2 percent to 2.5 percent.

Amounts reported in 2022 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in prior years are presented below:

	Fiscal Year 2022	Fiscal Years 2021-2017	Fiscal Year 2016 and Prior
Wage Inflation	2.4 percent	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.0 percent net of system expenses	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

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

Amounts report for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions - STRS

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

Brookfield Local School District, Ohio

*Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2024*

	<u>Fiscal Year 2022</u>	<u>Fiscal Years 2021-2018</u>	<u>Fiscal Year 2017 and Prior</u>
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	Varies by Service from 2.5 percent to 8.5 percent	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	See Below	See Below	See Below
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustment (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013 2 percent per year; for members retiring after August 1, 2013, or later, COLA commences on fifth anniversary of retirement date.

Investment rate of return:

Fiscal Years 2022 through 2024	7.00 percent, net of investment expenses, including inflation
Fiscal Years 2018 through 2021	7.45 percent, net of investment expenses, including inflation
Fiscal Year 2017 and prior	7.75 percent, net of investment expenses, including inflation

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

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

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

Changes in Benefit Term – STRS

For 2024, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015, through June 30, 2021.

Brookfield Local School District, Ohio

Notes to Required Supplementary Information

For the Fiscal Year Ended June 30, 2024

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

Net OPEB Liability (Asset)

Changes in Assumptions – SERS

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

	2022	2021 and Prior
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation

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

Municipal Bond Index Rate:

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

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

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

Changes in Assumptions – STRS

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

Brookfield Local School District, Ohio

*Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2024*

assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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

For fiscal year 2022, the discount rate was decreased from 7.45 percent to the long-term expected rate of return of 7.00.

For fiscal year 2023, the projected salary increases were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

Changes in Benefit Terms – STRS

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

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

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

For fiscal year 2021, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022, premium based on June 30, 2021, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent per year of service. 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 CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2023, healthcare trends were updated to reflect emerging claims and recoveries experience.

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

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SUPPLEMENTARY INFORMATION

**BROOKFIELD LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	TOTAL EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through the Ohio Department of Education and Workforce</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	2024	\$ 102,942
National School Lunch Program - Food Donation	10.555	2024	29,490
National School Lunch Program	10.555	2023	53,234
National School Lunch Program	10.555	2024	245,338
COVID 19 - National School Lunch Program	10.555	COVID-19, 2024	29,782
Total National School Lunch Program			357,844
Fresh Fruit and Vegetable Program	10.582	2024	20,743
Total Child Nutrition Cluster			481,529
Total U.S. Department of Agriculture			481,529
U.S. DEPARTMENT OF THE TREASURY			
<i>Passed Through the Ohio Office of Budget and Management:</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - School Safety Round #3	21.027	COVID-19	41,783
Total U.S. Department of the Treasury			41,783
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through the Ohio Department of Education and Workforce</i>			
Title I Grants to Local Educational Agencies	84.010A	84.010A, 2023	55,644
Title I Grants to Local Educational Agencies	84.010A	84.010A, 2024	519,334
Title I Grants to Local Educational Agencies - Noncompetitive, Supplemental School Improvement	84.010A	84.010A, 2023	7,153
Title I Grants to Local Educational Agencies - Noncompetitive, Supplemental School Improvement	84.010A	84.010A, 2024	11,245
Title I Grants to Local Educational Agencies - Expanding Opportunities for Each Child, Non-Competitive Grant	84.010A	84.010A, 2023	6,930
Title I Grants to Local Educational Agencies - Expanding Opportunities for Each Child, Non-Competitive Grant	84.010A	84.010A, 2024	13,510
Total Title I Grants to Local Educational Agencies			613,816
Special Education Grant Cluster (IDEA):			
Special Education_Grants to States (IDEA, Part B)	84.027A	84.027A, 2024	258,264
Total Special Education Cluster (IDEA)			258,264
<i>Consortium Amount Passed/Transferred to the Trumbull County Education Service Center</i>			
English Language Acquisition State Grants - Title III - Language Instruction for English Learners	84.365A	84.365A, 2024	928
Supporting Effective Instruction State Grants	84.367A	84.367A, 2023	6,022
Supporting Effective Instruction State Grants	84.367A	84.367A, 2024	46,482
Total Supporting Effective Instruction State Grants			52,504
Rural and Low Income School Program	84.358B	84.358B, 2024	26,630
Equity for Each Grant	84.048A	84.048A, 2024	57,423
Student Support and Academic Enrichment Program	84.424A	84.424A, 2024	18,000
COVID-19 - Elementary and Secondary School Emergency Relief - Innovative Workforce Incentive Program Grant	84.425D	COVID-19, 84.425D, 2023	90,202
COVID-19 - Elementary and Secondary School Emergency Relief Fund - ARP Homeless Round II	84.425W	COVID-19, 84.425W, 2024	1,532
COVID-19 - Elementary and Secondary School Emergency Relief Fund - ARP	84.425U	COVID-19, 84.425U, 2024	537,810
Total Education Stabilization Fund			629,544
Total U.S. Department of Education			1,657,109
Total Federal Financial Assistance			\$ 2,180,421

The accompanying notes are an integral part of this schedule.

**BROOKFIELD LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO**

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

NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Brookfield Local School District under programs of the federal government for the fiscal year ended June 30, 2024, and is prepared in accordance with the cash basis of accounting. 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 Brookfield Local School District, it is not intended to and does not present the financial position or changes in net position of the Brookfield Local School District. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited as to reimbursement.

NOTE 2 – DE MINIMIS COST RATE

CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The Brookfield Local School District has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – CHILD NUTRITION CLUSTER

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

NOTE 4 – FOOD DONATION PROGRAM

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

NOTE 5 – PASS-THROUGH FUNDS

The Brookfield Local School District was awarded federal program allocations to be administered on their behalf by the Trumbull County Educational Service Center. For fiscal year 2024 the Brookfield Local School District's allocations were as follows:

English Language Acquisition State Grants (ALN 84.365A) \$928

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Brookfield Local School District
Trumbull County
614 Bedford Road SE
Brookfield, Ohio 44403

To the Members of 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brookfield Local School District, Trumbull County, Ohio, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Brookfield Local School District's basic financial statements, and have issued our report thereon dated March 24, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Brookfield Local School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Brookfield Local School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Brookfield Local School 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 Brookfield Local School District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2024-001 through 2024-004 that we consider to be material weaknesses.

Brookfield Local School District
Trumbull County
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Brookfield Local School 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2024-001 through 2024-003.

Brookfield Local School District's Responses to the Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Brookfield Local School 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 Brookfield Local School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
March 24, 2025

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Brookfield Local School District
Trumbull County
614 Bedford Road SE
Brookfield, Ohio 44403

To the Members of the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Brookfield Local School District's 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 the Brookfield Local School District's major federal programs for the fiscal year ended June 30, 2024. The Brookfield Local School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

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

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Brookfield Local School 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 Brookfield Local School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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 Brookfield Local School District's federal programs.

Brookfield Local School District
Trumbull County
Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance

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 Brookfield Local School 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 generally accepted auditing standards, *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 Brookfield Local School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Brookfield Local School 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 Brookfield Local School 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 Brookfield Local School 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 a 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.

Brookfield Local School District
Trumbull County
Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance

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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
March 24, 2025

**BROOKFIELD LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO**

SCHEDULE OF FINDINGS

2 CFR § 200.515

JUNE 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	None Reported
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any material weaknesses in internal control reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	None Reported
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program(s) (listed):</i>	COVID-19 – Education Stabilization Fund (ALN 84.425); Title I Grant to Local Educational Agencies (ALN 84.010A)
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

**BROOKFIELD LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2024**

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

Finding Number	2024-001
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Material Weakness/Noncompliance – Appropriations in Excess of Actual Resources

Ohio Revised Code § 5705.36(a)(4) requires that a District amends its certificate of estimated resources if the amount of revenue to be collected will be less than the amount included in the last certified estimate and the deficiency will reduce available resources below the current level of appropriation.

The ESSER and Title I funds had actual resources of \$333,983 and \$566,715, respectively. However, ESSER and Title I funds had final appropriations of \$449,544 and \$595,418, respectively, leading to appropriations exceeding actual available resources.

As a result, appropriations exceeded actual available resources for ESSER and Title I funds, increasing the risk of deficit spending and potentially impacting the financial stability of the District.

We recommend the District implement procedures to regularly compare actual receipts to appropriations to ensure the District is compliant to Ohio Revised Code § 5705.36(a)(4).

Official's Response: See Corrective Action Plan

Finding Number	2024-002
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Material Weakness/Noncompliance – Appropriations in Excess of Estimated Resources

Ohio Revised Code § 5705.39 states that the total appropriations from each fund shall not exceed the total estimated resources certified by the county budget commission.

Appropriations in the ESSER and Title I funds were \$449,544 and \$595,418, respectively, while the total estimated resources certified by the county were \$333,983 and \$566,715, respectively, resulting in appropriations exceeding estimated resources.

This resulted in the appropriations exceeding estimated resources, increasing the risk of deficit spending and impacting the financial stability of the District.

We recommend the District establishes procedures to verify that appropriations do not exceed certified estimated resources before adoption. This could include implementing a review process to compare appropriations with estimated resources to ensure compliance with Ohio Revised Code § 5705.39.

Official's Response: See Corrective Action Plan

**BROOKFIELD LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2024**

**2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (Continued)**

Finding Number	2024-003
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Material Weakness/Noncompliance – Certification of Prior Year Unencumbered Balances

Ohio Revised Code Section 5705.36(A)(1) in part states on or about the first day of each year, the fiscal officer of each subdivision shall certify to the county auditor the total amount from all sources available for expenditures from each fund set up in the tax budget. The amount certified shall include any unencumbered balances that existed at the end of the preceding year.

The District did not properly certify the unencumbered balances of the Classroom Facilities Fund, ESSER Fund, and Title I Fund.

This resulted in overstating estimated and available resources and increases the risk of appropriations exceeding both estimated and actual resources, potentially leading to deficit spending.

We recommend that the District revise its procedures to ensure that only unencumbered fund balances are included in the certificate of estimated resources. The Treasurer should work closely with the County Auditor to verify that estimated resources align with unencumbered balances, as required by Ohio Revised Code § 5705.36.

Official's Response: See Corrective Action Plan

Finding Number	2024-004
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Material Weakness – Financial Statement Presentation

Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework. Control and monitoring activities typically associated with the period-end financial reporting process include reviewing and approving manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statements.

Certain audit adjustments were made to correct misstatements identified in the audit of the District's financial statements. It was necessary to post adjustments related to improperly recorded property taxes and intergovernmental revenues in multiple funds. The audited financial statements were updated for the misstatements identified during the audit.

A lack of proper policies and procedures for control and monitoring activities associated with the period-end financial reporting process could lead to financial statement and note disclosure adjustments, which if uncorrected, could lead to a misrepresentation of the District's activity. Additionally, without a review of the completed unaudited financial statements by management prior to filing with the Hinkle system, financial information could be misrepresented.

We recommend the District review the adjustments posted to the current fiscal year audit report and implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the financial statements prior to presenting them to its auditors. Further, we recommend the District designate an individual to review future unaudited reports prior to their Hinkle submission to ensure all financial activity is accurately reflected.

Official's Response: See Corrective Action Plan

**BROOKFIELD LOCAL SCHOOL DISTRICT
TRUMBULL COUNTY, OHIO**

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2024

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

Brookfield Local School District

614 Bedford Road SE, Brookfield, Ohio 44403
Superintendent's Office Phone: 330-448-4930
Treasurer's Office Phone: 330-448-3000
Fax Number: 330-448-5026

Superintendent
Toby Gibson
Toby.Gibson@Brookfieldschools.us



CFO
Jordan Weber
Jordan.Weber@Brookfieldschools.us

BROOKFIELD LOCAL SCHOOL DISTRICT TRUMBULL COUNTY, OHIO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 2 CFR § 200.511(b) JUNE 30, 2024

<u>Finding Number</u>	<u>Year Initially Occurred</u>	<u>Finding Summary</u>	<u>Status</u>	<u>Additional Information</u>
2023-001	2023	<u>Material Weakness - Financial Reporting</u> - In our engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. The financial statements were not updated to showcase various adjustments to remedy various posting errors.	Not Corrected	Finding repeated as 2024-004 as the District's financial statements required audit adjustments to correct misstatements.
2023-002	2023	<u>Noncompliance – Certificate of Estimated Resources</u> - Ohio Rev. Code § 5705.36(A)(1) provides, in part, on or about the first day of each fiscal year, the fiscal officer of each subdivision and other taxing unit shall certify to the county auditor the total amount from all sources available for expenditures from each fund. The General Fund unencumbered fund balance at July 1, 2022 was not accurately reflected on the Certificate of Estimated Resources.	Not Corrected	Finding repeated at 2024-003 as the district did not certify the proper beginning unencumbered balances.

Brookfield Local School District

614 Bedford Road SE, Brookfield, Ohio 44403
Superintendent's Office Phone: 330-448-4930
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Superintendent
Toby Gibson
Toby.Gibson@Brookfieldschools.us



CFO
Jordan Weber
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<u>Finding Number</u>	<u>Year Initially Occurred</u>	<u>Finding Summary</u>	<u>Status</u>	<u>Additional Information</u>
2023-003	2022	<u>Noncompliance – Appropriations Exceeding Estimated Resources</u> - Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure therefrom, as certified by the county budget commission, or in case of appeal, by the board of tax appeals. The District's appropriations exceeded the amount certified as available by the budget commission in the General and Elementary and Secondary School Emergency Relief fund.	Not Corrected	Finding repeated at 2024-002 as appropriations exceed estimated resources in several funds.
2023-004	2023	<u>Noncompliance – Payroll Overpayment</u> - While the District has certain payroll controls in place to ensure an employee's pay is reasonable and accurate, it was noted that an employee worked as an intervention specialist during 2022-2023 school year but failed to timely obtain their license to serve as an intervention specialist. The District paid the employee as a BA, step 8 while the employee should have been compensated as BA, step 0 resulting in an overpayment of \$8,224.	Corrective Action Taken and Finding Fully Corrected	N/A

Sincerely,

Jordan Weber
Brookfield Local School District Treasurer,
on behalf of the Board of Education

Brookfield Local School District

614 Bedford Road SE, Brookfield, Ohio 44403
Superintendent's Office Phone: 330-448-4930
Treasurer's Office Phone: 330-448-3000
Fax Number: 330-448-5026

Superintendent
Toby Gibson
Toby.Gibson@Brookfieldschools.us



CFO
Jordan Weber
Jordan.Weber@Brookfieldschools.us

BROOKFIELD LOCAL SCHOOL DISTRICT TRUMBULL COUNTY, OHIO

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) JUNE 30, 2024

Finding Number	Planned Corrective Action	Anticipation Completion Date	Responsible Contact Person
2024-001	The district will better monitor budget balances so appropriations do not exceed estimated resources.	FY25	Jordan Weber, Treasurer
2024-002	The district will better monitor budget balances so appropriations do not exceed estimated resources.	FY25	Jordan Weber, Treasurer
2024-003	The district will certify the correct amount of unencumbered fund balances on their future certificates of estimated resources.	FY25	Jordan Weber, Treasurer
2024-004	Adjust funds in accounting system per calculations provided by the Auditor of State's office	FY25	Jordan Weber, Treasurer

Sincerely,

Jordan Weber
Brookfield Local School District Treasurer,
on behalf of the Board of Education

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OHIO AUDITOR OF STATE KEITH FABER



BROOKFIELD LOCAL SCHOOL DISTRICT

TRUMBULL 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 6/24/2025

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

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