



OHIO AUDITOR OF STATE
KEITH FABER



**INDIAN CREEK LOCAL SCHOOL DISTRICT
JEFFERSON COUNTY
JUNE 30, 2024**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Statement of Net Position	14
Statement of Activities.....	15
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
Statement of Fiduciary Net Position – Private Purpose Trust Fund	21
Statement of Changes in Fiduciary Net Position – Private Purpose Trust Fund	22
Notes to the Basic Financial Statements	23
Required Supplementary Information:	
Schedule of the School District's Proportionate Share of the Net Pension Liability School Employees Retirement System of Ohio	68
Schedule of the School District's Proportionate Share of the Net OPEB Liability School Employees Retirement System of Ohio	70
Schedule of the District's Proportionate Share of the Net Pension Liability State Teachers Retirement System of Ohio	72
Schedule of the District's Proportionate Share of the Net OPEB (Asset) Liability State Teachers Retirement System of Ohio	74
Schedule of the School District's Contributions- School Employees Retirement System of Ohio	76
Schedule of the School District's Contributions- State Teachers Retirement System of Ohio	78

INDIAN CREEK LOCAL SCHOOL DISTRICT
JEFFERSON COUNTY
JUNE 30, 2024

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Notes to the Required Supplementary Information.....	80
Schedule of Expenditures of Federal Awards.....	85
Notes to the Schedule of Expenditures of Federal Awards	86
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	87
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	89
Schedule of Findings.....	93
Prepared by Management:	
Corrective Action Plan - June 30, 2024	95



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT

Indian Creek Local School District
Jefferson County
100 Park Drive
Wintersville, Ohio 43953

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Indian Creek Local School District, Jefferson County, Ohio as of June 30, 2024, and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the 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 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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*, required budgetary comparison schedule, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2025 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 School District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

February 28, 2025

This page intentionally left blank.

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

The management's discussion and analysis of Indian Creek Local School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key Financial Highlights for fiscal year 2024 are as follows:

- Net position increased in fiscal year 2024 primarily due to an increase in cash and cash equivalents and property taxes receivable coupled with a decrease in the net pension liability.
- The School District's capital asset additions included additions to all categories, excluding land. Under the Exceptional Needs Program of Ohio Facilities Construction Commission, the School District completed renovations to the softball field. Current year deletions included buildings and improvements and vehicles.
- The School District actively pursues grants and controls expenses while still maintaining the high academic standards the residents expect of the School District.

Using this Annual Financial Report

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements explain how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Indian Creek Local School District, the general fund, the bond retirement debt service fund and the permanent improvement capital projects fund are the more significant funds.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains most the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "How did we do financially during fiscal year 2024?" The *Statement of Net Position* and the *Statement of Activities* answers this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, similar to the accounting used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

These two statements report the School District's net position and changes in this position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's performance, demographic and socioeconomic factors and willingness of the community to support the School District.

In the Statement of Net Position and the Statement of Activities, all of the School District's non-fiduciary activities are classified as governmental. Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, food service operations and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins with the balance sheet. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, the bond retirement debt service fund and the permanent improvement capital projects fund.

Governmental Funds

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

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These funds use the accrual basis of accounting.

The School District as a Whole

You may recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a comparison of the School District's Net Position for fiscal year 2024 compared to fiscal year 2023:

Indian Creek 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	\$31,944,846	\$30,407,808	\$1,537,038
Net OPEB Asset	1,185,374	1,593,240	(407,866)
Capital Assets, Net	<u>77,172,489</u>	<u>79,374,139</u>	<u>(2,201,650)</u>
<i>Total Assets</i>	<u>110,302,709</u>	<u>111,375,187</u>	<u>(1,072,478)</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	716,955	779,295	(62,340)
Pension	3,461,873	4,178,486	(716,613)
OPEB	<u>759,325</u>	<u>496,587</u>	<u>262,738</u>
<i>Total Deferred Outflows of Resources</i>	<u>4,938,153</u>	<u>5,454,368</u>	<u>(516,215)</u>
Liabilities			
Current Liabilities	4,937,850	5,100,080	162,230
Long-Term Liabilities			
Due Within One Year	993,772	932,914	(60,858)
Due In More Than One Year			
Net Pension Liability	17,266,306	17,962,911	696,605
Net OPEB Liability	1,270,547	1,134,488	(136,059)
Other Amounts	<u>55,154,023</u>	<u>56,091,247</u>	<u>937,224</u>
<i>Total Liabilities</i>	<u>79,622,498</u>	<u>81,221,640</u>	<u>1,599,142</u>
Deferred Inflows of Resources			
Property Taxes	14,406,966	14,111,645	(295,321)
Pension	1,304,050	1,600,013	295,963
OPEB	<u>2,113,074</u>	<u>2,587,214</u>	<u>474,140</u>
<i>Total Deferred Inflows of Resources</i>	<u>17,824,090</u>	<u>18,298,872</u>	<u>474,782</u>
Net Position			
Net Investment in Capital Assets	24,535,570	25,667,967	(1,132,397)
Restricted for:			
Capital Projects	1,643,503	1,799,818	(156,315)
Debt Service	3,541,777	2,346,858	1,194,919
OPEB Plans	1,185,374	354,057	831,317
Other Purposes	1,681,290	2,241,156	(559,866)
Unrestricted (Deficit)	<u>(14,793,240)</u>	<u>(15,100,813)</u>	<u>307,573</u>
<i>Total Net Position</i>	<u>\$17,794,274</u>	<u>\$17,309,043</u>	<u>\$485,231</u>

Indian Creek 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 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/OPEB asset/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/OPEB asset/liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

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 to current and other assets, capital assets, and the net pension/OPEB liabilities and associated deferred outflows and deferred inflows. Cash and cash equivalents increased from fiscal year 2023 as a result of revenue collection exceeding expenses resulting in a surplus for the year. Capital assets decreased due to current year deletions and depreciation/amortization exceeding additions.

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

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

(Table 2)
 Change in Net Position
 Governmental Activities

	2024	2023	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services and Sales	\$753,629	\$793,343	(\$39,714)
Operating Grants, Interest and Contributions	<u>5,658,313</u>	<u>6,681,889</u>	<u>(1,023,576)</u>
<i>Total Program Revenues</i>	<u>6,411,942</u>	<u>7,475,232</u>	<u>(1,063,290)</u>
<i>General Revenues</i>			
Property Taxes	15,411,606	14,980,304	431,302
Grants and Entitlements not Restricted	8,554,403	8,333,065	221,338
Investment Earnings/Interest	59,497	84,132	(24,635)
Unrestricted Contributions	20,943	69,932	(48,989)
Gain on Sale of Capital Assets	94,743	0	94,743
Miscellaneous	217,567	353,525	(135,958)
<i>Total General Revenues</i>	<u>24,358,759</u>	<u>23,820,958</u>	<u>537,801</u>
<i>Total Revenues</i>	<u>30,770,701</u>	<u>31,296,190</u>	<u>(525,489)</u>
Program Expenses			
Current:			
Instruction	15,656,781	17,789,781	2,133,000
Support Services:			
Pupils	1,495,803	1,341,696	(154,107)
Instructional Staff	796,981	1,336,979	539,998
Board of Education	17,334	17,483	149
Administration	2,328,903	2,228,564	(100,339)
Fiscal	730,607	691,928	(38,679)
Business	40,479	37,771	(2,708)
Operation and Maintenance of Plant	3,161,436	2,894,551	(266,885)
Pupil Transportation	1,452,117	1,545,799	93,682
Central	367,114	364,091	(3,023)
Extracurricular Activities	627,263	899,807	272,544
Operation of Non-Instructional Services	89,538	86,205	(3,333)
Operation of Food Service	1,251,338	1,058,200	(193,138)
Interest	2,269,776	2,301,593	31,817
<i>Total Program Expenses</i>	<u>30,285,470</u>	<u>32,594,448</u>	<u>2,308,978</u>
<i>Change in Net Position</i>	<u>485,231</u>	<u>(1,298,258)</u>	<u>1,783,489</u>
<i>Net Position Beginning of Year</i>	<u>17,309,043</u>	<u>18,607,301</u>	<u>(1,298,258)</u>
<i>Net Position End of Year</i>	<u>\$17,794,274</u>	<u>\$17,309,043</u>	<u>\$485,231</u>

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

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. Charges for services and sales decreased due to a decrease in charges for services, extracurricular, and food service revenues. Operating grants, interest and contributions decreased as the School District received less grant monies in fiscal year 2024. The School District continues to seek out restricted grant monies as additional sources of operating revenues. General revenues increased in fiscal year 2024. Property taxes increased due to increases in assessed values. Grants and entitlements not restricted increased from a change in the State funding formula. The School District also received proceeds from the sale of old school buses.

Program expenses decreased from the prior year due to lower instruction costs resulting from changes related to the net pension/OPEB liabilities. This decrease was offset by contractual wage increases for certified and classified employees.

The School District relies heavily upon property taxes and the State School Foundation Program to support their operations. The School District also actively solicits and receives additional grant and entitlement funds to help offset operating costs.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services for 2024 compared to 2023.

(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	\$15,656,781	\$11,533,602	\$17,789,781	\$13,800,828
Support Services:				
Pupils and Instructional Staff	2,292,784	2,024,963	2,678,675	2,075,817
Board of Education,				
Administration, Fiscal and Business	3,117,323	2,949,690	2,975,746	2,847,549
Operation and Maintenance of Plant	3,161,436	3,074,804	2,894,551	1,998,340
Pupil Transportation	1,452,117	1,379,422	1,545,799	1,327,255
Central	367,114	311,895	364,091	290,810
Extracurricular Activities	627,263	316,608	899,807	546,821
Operation of Non-Instructional Services	89,538	4,782	86,205	20,382
Operation of Food Service	1,251,338	7,986	1,058,200	(90,179)
Interest	2,269,776	2,269,776	2,301,593	2,301,593
<i>Total Expenses</i>	<i>\$30,285,470</i>	<i>\$23,873,528</i>	<i>\$32,594,448</i>	<i>\$25,119,216</i>

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

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

The School District'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. For fiscal year 2024, the general fund had an increase in fund balance due to revenues exceeding expenditures, as there was an increase in property tax collections. The bond retirement fund had an increase in fund balance due to property tax revenue received exceeding the yearly principal and interest payments during the fiscal year. The permanent improvement capital projects fund had an increase in fund balance due to property tax revenue received throughout the year exceeding capital expenditures and debt service payments.

General Fund Budgeting Highlights

Budgeting is prescribed by the Ohio Revised Code. Essentially, the budget is the School District's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the Revised Code. During the course of fiscal year 2024, the School District amended its general fund budget numerous times to allow for insignificant amendments. The School District uses a site-based budgeting system designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, the final budget basis revenue estimate was higher than the original budget estimate. The change was mainly attributed to an increase in intergovernmental and miscellaneous revenues as the School District had a better estimate of actual collections throughout the year. The final budget appropriations were less than the original budget appropriations of the general fund due mainly to a decrease in regular instruction as the School District's current year requirements became more apparent.

Capital Assets and Long-term Liabilities

Capital Assets

During fiscal year 2024, the School District's capital asset additions included the completion of softball field renovations, land improvements, buildings and improvements, various furniture and equipment, two buses and a pickup truck. Current year deletions included buildings and improvements and vehicles. There are three remaining construction in progress projects, including the Career Readiness lab, HVAC upgrade and stadium improvements. Please refer to Note 9 within the Notes to the Basic Financial Statements for further information on capital assets.

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

Debt

On April 16, 2016, the School District issued school facilities construction bonds to refund a portion of the 2009 school facilities construction bonds. The school facilities construction bonds included serial and capital appreciation (deep discount) bonds. The bonds were issued for a twenty-one year period with a final maturity at December 1, 2036. The capital appreciation bonds were originally sold at a discount, which is being accreted annually until the point of maturity of the capital appreciation bonds. The refunding bonds were sold at a premium. Net proceeds of \$9,831,065 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, \$8,230,000 of these bonds is considered defeased and the liability of these bonds has been removed from the School District's financial statements.

On August 30, 2018, the School District issued \$45,700,000 in school facilities construction bonds, which included serial and term bonds in the amounts of \$7,785,000 and \$37,915,000, respectively. The bonds were issued at both a premium of \$3,263,137. The school facilities construction bonds were issued for the purpose of constructing, improving and renovating school facilities within the Indian Creek Local School District. The bonds were issued for a thirty-seven year period with final maturity at November 1, 2055. The bonds will be retired from the bond retirement debt service fund.

On June 1, 2015, the School District took out a lease purchase agreement for the purpose of paving projects, track repairs and a new high school roof. The lease purchase agreement was issued at a 3.5 percent interest rate for fifteen years. The lease purchase agreement will be retired from the permanent improvement capital project fund. This is classified as a financed purchase in Note 15.

The School District's overall legal debt margin was \$0 with an unvoted debt margin of \$472,641 at June 30, 2024. The School District has been designated an "approved special needs School District" by the Ohio Superintendent of Public Instruction. As a result, any debt of the School District authorized by the School District's voters at the election held on May 8, 2019 in excess of the 9 percent limitation is exempted from that limitation pursuant to Ohio Revised Code Section 133.06(D)(2). Please refer to Note 15 within the Notes to the Basic Financial Statements for further information on debt.

Challenges and Opportunities

Indian Creek Local School District has continued to maintain the highest standards of service to our students, parents and community. The School District is always presented with challenges and opportunities. The Board of Education and Administration closely monitor its revenues and expenditures in accordance with its financial forecast. Recent national events and their impact on the Indian Creek Local School District and the surrounding area are very much under review and analysis. Current economic conditions have had a major impact on our industries. We have limited local industry, but we are a much diversified community with many residents working outside our School District in varying types of employment.

The School District is not without its share of challenges. The need for additional funds for operations is a continual challenge for the School District. Additional funding has been received from the federal Elementary and Secondary School Emergency Relief to use in response to the impact of the COVID-19 pandemic, specifically to address the learning loss of students and the ongoing functionality of the District. This funding source has allowed the District to hire additional staff, provide needed counseling services, as well as update technology, HVAC systems and provide for various other COVID related purchases. However, this funding source is only temporary and will be gone in fiscal year 2025.

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

In fiscal year 2025, the District will see an increase in state funding for the first time in many years, due to the new state funding model. This increase in funding will help offset the loss of the grant funding as mentioned above. However, challenges still exist, such as inflation combined with a tight labor market and the struggle to keep a competitive salary scale to retain quality personnel, continue to be an economic concern. Like many school districts in the State of Ohio, the Indian Creek Local School District remains vigilant to financially meet the academic needs of all of the students as well as remain cost efficient in its operations.

As a result of the challenges mentioned, it is imperative the School District's management continue to carefully and prudently plan in order to meet the vision of the School District over the next several years. This vision is to provide all students with the opportunity to acquire the knowledge and skills to reach their potential within a secure and positive learning environment. In addition, the School District strives to assist students to become responsible citizens in an ever-changing society through effective programs and community involvement.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Treasurer at Indian Creek Local School District, 100 Park Drive, Wintersville, Ohio 43953.

Indian Creek Local School District

Statement of Net Position

June 30, 2024

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$14,792,279
Accounts Receivable	14,779
Intergovernmental Receivable	813,363
Inventory Held for Resale	24,539
Materials and Supplies Inventory	58,581
Prepaid Items	20,388
Property Taxes Receivable	16,220,917
Net OPEB Asset (See Note 18)	1,185,374
Nondepreciable Capital Assets	290,496
Depreciable Capital Assets, Net	<u>76,881,993</u>
<i>Total Assets</i>	<u>110,302,709</u>
Deferred Outflows of Resources	
Deferred Charge on Refunding	716,955
Pension	3,461,873
OPEB	<u>759,325</u>
<i>Total Deferred Outflows of Resources</i>	<u>4,938,153</u>
Liabilities	
Accounts Payable	142,008
Accrued Wages and Benefits	2,340,514
Contracts Payable	49,993
Intergovernmental Payable	474,909
Accrued Interest Payable	356,426
Notes Payable	1,574,000
Long-Term Liabilities:	
Due Within One Year	993,772
Due in More Than One Year	
Net Pension Liability (See Note 17)	17,266,306
Net OPEB Liability (See Note 18)	1,270,547
Other Amounts	<u>55,154,023</u>
<i>Total Liabilities</i>	<u>79,622,498</u>
Deferred Inflows of Resources	
Property Taxes	14,406,966
Pension	1,304,050
OPEB	<u>2,113,074</u>
<i>Total Deferred Inflows of Resources</i>	<u>17,824,090</u>
Net Position	
Net Investment in Capital Assets	24,535,570
Restricted for:	
Capital Projects	1,643,503
Debt Service	3,541,777
OPEB Plans	1,185,374
Other Purposes	1,681,290
Unrestricted (Deficit)	<u>(14,793,240)</u>
<i>Total Net Position</i>	<u>\$17,794,274</u>

See accompanying notes to the basic financial statements

Indian Creek Local School District

Statement of Activities

For the Fiscal Year Ended June 30, 2024

	Program Revenues			Net Revenue/(Expense) and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants, Interest and Contributions			
Governmental Activities						
Instruction:						
Regular	\$11,175,927	\$244,851	\$1,630,694	(\$9,300,382)		
Special	3,952,835	87,928	2,021,654	(1,843,253)		
Vocational	439,777	13,680	69,745	(356,352)		
Adult/Continuing	250	0	1,450	1,200		
Student Intervention Services	87,992	0	53,177	(34,815)		
Support Services:						
Pupils	1,495,803	0	69,699	(1,426,104)		
Instructional Staff	796,981	0	198,122	(598,859)		
Board of Education	17,334	0	0	(17,334)		
Administration	2,328,903	0	167,633	(2,161,270)		
Fiscal	730,607	0	0	(730,607)		
Business	40,479	0	0	(40,479)		
Operation and Maintenance of Plant	3,161,436	0	86,632	(3,074,804)		
Pupil Transportation	1,452,117	0	72,695	(1,379,422)		
Central	367,114	0	55,219	(311,895)		
Extracurricular Activities	627,263	274,648	36,007	(316,608)		
Operation of Non-Instructional Services	89,538	0	84,756	(4,782)		
Operation of Food Service	1,251,338	132,522	1,110,830	(7,986)		
Interest	2,269,776	0	0	(2,269,776)		
<i>Totals</i>	<i>\$30,285,470</i>	<i>\$753,629</i>	<i>\$5,658,313</i>	<i>(23,873,528)</i>		

General Revenues

Property Taxes Levied for:

General Purposes	10,768,607
Debt Service	4,020,426
Capital Outlay	431,714
Classroom Facilities Maintenance	190,859
Grants and Entitlements not Restricted to Specific Programs	8,554,403
Investment Earnings/Interest	59,497
Unrestricted Contributions	20,943
Gain on Sale of Capital Assets	94,743
Miscellaneous	217,567

Total General Revenues

24,358,759

Change in Net Position

485,231

Net Position Beginning of Year

17,309,043

Net Position End of Year

\$17,794,274

See accompanying notes to the basic financial statements

Indian Creek Local School District

*Balance Sheet
Governmental Funds
June 30, 2024*

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$5,152,727	\$6,206,016	\$1,077,573	\$2,355,963	\$14,792,279
Accounts Receivable	9,029	0	0	5,750	14,779
Intergovernmental Receivable	1,428	0	0	811,935	813,363
Prepaid Items	19,879	0	0	509	20,388
Interfund Receivable	470,416	0	0	0	470,416
Inventory Held for Resale	0	0	0	24,539	24,539
Materials and Supplies Inventory	55,300	0	0	3,281	58,581
Property Taxes Receivable	11,588,410	4,008,808	432,240	191,459	16,220,917
<i>Total Assets</i>	<u>\$17,297,189</u>	<u>\$10,214,824</u>	<u>\$1,509,813</u>	<u>\$3,393,436</u>	<u>\$32,415,262</u>
Liabilities					
Accounts Payable	\$32,433	\$0	\$8,329	\$101,246	\$142,008
Accrued Wages and Benefits	1,930,310	0	0	410,204	2,340,514
Contracts Payable	0	0	4,000	45,993	49,993
Intergovernmental Payable	416,137	0	0	58,772	474,909
Interfund Payable	0	0	0	470,416	470,416
Accrued Interest Payable	0	0	4,131	0	4,131
Notes Payable	0	0	1,574,000	0	1,574,000
<i>Total Liabilities</i>	<u>2,378,880</u>	<u>0</u>	<u>1,590,460</u>	<u>1,086,631</u>	<u>5,055,971</u>
Deferred Inflows of Resources					
Property Taxes	10,287,818	3,567,942	381,991	169,215	14,406,966
Unavailable Revenue	460,879	104,306	12,884	140,104	718,173
<i>Total Deferred Inflows of Resources</i>	<u>10,748,697</u>	<u>3,672,248</u>	<u>394,875</u>	<u>309,319</u>	<u>15,125,139</u>
Fund Balances					
Nonspendable	75,179	0	0	3,790	78,969
Restricted	0	6,542,576	0	2,149,591	8,692,167
Committed	75,614	0	0	0	75,614
Assigned	942,330	0	0	0	942,330
Unassigned (Deficit)	3,076,489	0	(475,522)	(155,895)	2,445,072
<i>Total Fund Balances (Deficit)</i>	<u>4,169,612</u>	<u>6,542,576</u>	<u>(475,522)</u>	<u>1,997,486</u>	<u>12,234,152</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u><u>\$17,297,189</u></u>	<u><u>\$10,214,824</u></u>	<u><u>\$1,509,813</u></u>	<u><u>\$3,393,436</u></u>	<u><u>\$32,415,262</u></u>

See accompanying notes to the basic financial statements

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

Total Governmental Funds Balances \$12,234,152

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. 77,172,489

Other long-term assets are not available to pay for current period expenditures and therefore are unavailable revenue in the funds:

Delinquent Property Taxes	583,995
Intergovernmental Grants	<u>134,178</u>

Total	718,173
-------	---------

In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due. (352,295)

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:

Net OPEB Asset	1,185,374
Deferred Outflows - Pension	3,461,873
Deferred Outflows - OPEB	759,325
Net Pension Liability	(17,266,306)
Net OPEB Liability	(1,270,547)
Deferred Inflows - Pension	(1,304,050)
Deferred Inflows - OPEB	<u>(2,113,074)</u>

Total	(16,547,405)
-------	--------------

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds	(54,132,760)
Deferred Charge on Refunding	716,955
Financed Purchase	(455,000)
Leases	(6,493)
Compensated Absences	<u>(1,553,542)</u>

Total	<u>(55,430,840)</u>
-------	---------------------

Net Position of Governmental Activities \$17,794,274

See accompanying notes to the basic financial statements

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

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$10,786,143	\$4,024,404	\$432,207	\$191,085	\$15,433,839
Intergovernmental	9,228,289	208,898	47,419	4,804,261	14,288,867
Investment Earnings/Interest	41,712	0	184	19,279	61,175
Charges for Services	10,551	0	0	132,522	143,073
Tuition and Fees	340,833	0	0	0	340,833
Extracurricular Activities	32,906	0	0	231,391	264,297
Rentals	5,426	0	0	0	5,426
Contributions and Donations	20,943	0	0	60,226	81,169
Miscellaneous	215,597	0	0	1,970	217,567
<i>Total Revenues</i>	<i>20,682,400</i>	<i>4,233,302</i>	<i>479,810</i>	<i>5,440,734</i>	<i>30,836,246</i>
Expenditures					
Current:					
Instruction:					
Regular	7,780,475	0	0	1,637,097	9,417,572
Special	2,817,035	0	0	1,177,696	3,994,731
Vocational	436,244	0	0	4,559	440,803
Adult/Continuing	0	0	0	250	250
Student Intervention Services	31,826	0	0	53,177	85,003
Support Services:					
Pupils	1,369,695	0	0	120,912	1,490,607
Instructional Staff	407,383	0	0	199,625	607,008
Board of Education	17,334	0	0	0	17,334
Administration	2,190,260	0	0	167,633	2,357,893
Fiscal	646,967	82,377	9,397	4,139	742,880
Business	40,479	0	0	0	40,479
Operation and Maintenance of Plant	2,332,319	0	0	786,899	3,119,218
Pupil Transportation	1,237,413	0	0	80,292	1,317,705
Central	311,664	0	0	55,450	367,114
Extracurricular Activities	314,492	0	0	250,397	564,889
Operation of Non-Instructional Services	3,387	0	0	86,151	89,538
Operation of Food Service	0	0	0	1,244,257	1,244,257
Capital Outlay	8,462	0	177,306	106,489	292,257
Debt Service:					
Principal Retirement	1,734	770,000	65,000	0	836,734
Interest	227	2,274,713	69,466	0	2,344,406
<i>Total Expenditures</i>	<i>19,947,396</i>	<i>3,127,090</i>	<i>321,169</i>	<i>5,975,023</i>	<i>29,370,678</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>735,004</i>	<i>1,106,212</i>	<i>158,641</i>	<i>(534,289)</i>	<i>1,465,568</i>
Other Financing Sources (Uses)					
Sale of Capital Assets	94,743	0	0	0	94,743
Transfers In	0	0	631,191	299,089	930,280
Transfers Out	(3,527)	0	0	(926,753)	(930,280)
<i>Total Other Financing Sources (Uses)</i>	<i>91,216</i>	<i>0</i>	<i>631,191</i>	<i>(627,664)</i>	<i>94,743</i>
<i>Net Change in Fund Balances</i>	<i>826,220</i>	<i>1,106,212</i>	<i>789,832</i>	<i>(1,161,953)</i>	<i>1,560,311</i>
<i>Fund Balances (Deficit) Beginning of Year</i>	<i>3,343,392</i>	<i>5,436,364</i>	<i>(1,265,354)</i>	<i>3,159,439</i>	<i>10,673,841</i>
<i>Fund Balances (Deficit) End of Year</i>	<i>\$4,169,612</i>	<i>\$6,542,576</i>	<i>(\$475,522)</i>	<i>\$1,997,486</i>	<i>\$12,234,152</i>

See accompanying notes to the basic financial statements

Indian Creek 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 \$1,560,311

***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 depreciation/amortization exceeded capital outlay in the current period:

Capital Asset Additions	941,528
Current Year Depreciation/Amortization	<u>(3,069,611)</u>
Total	(2,128,083)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (73,567)

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

Property Taxes	(22,233)
Intergovernmental	<u>(138,055)</u>
Total	(160,288)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds: (93,414)

Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 836,734

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	3,924
Amortization of Bond Premiums	158,045
Amortization of Deferred Charge on Refunding	(62,340)
Annual Accretion	<u>(24,999)</u>
Total	74,630

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

Pension	1,655,632
OPEB	<u>52,996</u>
Total	1,708,628

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

Pension	(1,379,677)
OPEB	<u>139,957</u>
Total	<u>(1,239,720)</u>

Change in Net Position of Governmental Activities \$485,231

See accompanying notes to the basic financial statements

Indian Creek 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	\$10,793,444	\$10,572,495	\$10,572,496	\$1
Intergovernmental	9,073,566	9,420,150	9,420,150	0
Interest	4,330	29,664	34,491	4,827
Charges for Services	11,602	10,539	10,551	12
Tuition and Fees	370,996	326,245	332,784	6,539
Rentals	5,103	5,426	5,426	0
Contributions and Donations	0	6,000	6,000	0
Miscellaneous	116,661	215,238	215,238	0
<i>Total Revenues</i>	<i>20,375,702</i>	<i>20,585,757</i>	<i>20,597,136</i>	<i>11,379</i>
Expenditures				
Current:				
Instruction:				
Regular	8,525,775	7,785,629	7,785,629	0
Special	2,772,118	2,841,720	2,841,720	0
Vocational	418,849	438,453	438,453	0
Student Intervention Services	22,007	31,994	31,994	0
Support Services:				
Pupils	1,307,463	1,373,420	1,373,420	0
Instructional Staff	428,407	417,458	417,458	0
Board of Education	18,639	17,327	17,327	0
Administration	2,213,546	2,128,800	2,128,800	0
Fiscal	659,906	654,851	654,851	0
Business	40,169	31,325	31,325	0
Operation and Maintenance of Plant	2,636,194	2,429,813	2,429,813	0
Pupil Transportation	1,266,993	1,237,895	1,237,895	0
Central	322,756	337,068	337,068	0
Extracurricular Activities	299,315	311,001	311,001	0
Operation of Non-Instructional Services	765	25	25	0
Capital Outlay	0	8,462	8,462	0
Debt Service:				
Principal	1,734	1,734	1,734	0
Interest	227	227	227	0
<i>Total Expenditures</i>	<i>20,934,863</i>	<i>20,047,202</i>	<i>20,047,202</i>	<i>0</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(559,161)</i>	<i>538,555</i>	<i>549,934</i>	<i>11,379</i>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	94,743	94,743	0
Advances In	440,132	440,133	440,133	0
Advances Out	(150,000)	(470,416)	(470,416)	0
Transfers Out	0	(3,527)	(3,527)	0
<i>Total Other Financing Sources (Uses)</i>	<i>290,132</i>	<i>60,933</i>	<i>60,933</i>	<i>0</i>
<i>Net Change in Fund Balance</i>	<i>(269,029)</i>	<i>599,488</i>	<i>610,867</i>	<i>11,379</i>
<i>Fund Balance Beginning of Year</i>	<i>4,073,896</i>	<i>4,073,896</i>	<i>4,073,896</i>	<i>0</i>
Prior Year Encumbrances Appropriated	231,991	231,991	231,991	0
<i>Fund Balance End of Year</i>	<i>\$4,036,858</i>	<i>\$4,905,375</i>	<i>\$4,916,754</i>	<i>\$11,379</i>

See accompanying notes to the basic financial statements

Indian Creek Local School District

Statement of Fiduciary Net Position

Private Purpose Trust Fund

June 30, 2024

	<u>Scholarship</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$3,000
Liabilities	<u>\$0</u>
Net Position	
Held in Trust for Scholarships	<u><u>\$3,000</u></u>

See accompanying notes to the basic financial statements

Indian Creek Local School District
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2024

Scholarship

Additions

Contributions and Donations	\$3,000
-----------------------------	---------

Deductions

Payments in Accordance with Trust Agreements	<u>3,000</u>
--	--------------

<i>Net Change in Fiduciary Net Position</i>	0
---	---

<i>Net Position Beginning of Year</i>	<u>3,000</u>
---------------------------------------	--------------

<i>Net Position End of Year</i>	<u><u>\$3,000</u></u>
---------------------------------	-----------------------

See accompanying notes to the basic financial statements

Indian Creek Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

Note 1 – Description of the School District and Reporting Entity

Indian Creek Local School District (the School District) is organized under article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms.

The School District was established in 1966 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 75 square miles. It is located in Jefferson County, and includes all of the Village of Wintersville, the Village of Mingo Junction, the Village of Bloomingdale, and Cross Creek Township and portions of the City of Steubenville, Island Creek, Salem, Wayne and Steubenville Townships. It is staffed by 98 non-certified personnel, 138 certified teaching personnel and 13 administrative employees to provide services to 1,950 students and other community members. The School District operates four instructional buildings, one administrative building and two bus garages.

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, agencies and offices that are not legally separate from the School District. For the Indian Creek Local School District, this includes the agencies and departments that provide the following services: general operations, food service, preschool 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 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, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The School District has no component units.

The School District is associated with two jointly governed organizations, one insurance purchasing pool and one risk sharing pool. These organizations are the Ohio Mid-Eastern Regional Education Service Agency, Jefferson County Joint Vocational School, the Ohio School Boards Association Workers' Compensation Group Retrospective Rating Program and the Schools of Ohio Risk Sharing Authority. These organizations are presented in Notes 19 and 20 of 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.

Indian Creek Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

Basis of Presentation

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

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

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 two categories of funds: governmental and fiduciary.

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

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Bond Retirement Fund To account for and report tax levies that are restricted for the repayment of general obligation bonds of the School District.

Permanent Improvement Fund To account for and report tax levies that are restricted for the acquisition or construction of capital permanent improvements.

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The School District's only trust fund is a private purpose trust which accounts for a college scholarship program for students. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District does not have any custodial funds.

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 (i.e., revenues) and decreases (i.e., 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 (e.g., revenues and other financing sources) and uses (e.g., 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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The private purpose trust fund is accounted for on a flow of economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for the fiduciary funds 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 value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current

Indian Creek Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

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

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, 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 17 and 18.

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 assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pension, 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 and intergovernmental grants. 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 found 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 17 and 18)

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported on the operating statement as an expenditure with a like amount reported as intergovernmental revenue. Unused donated commodities are reported as inventory held for resale.

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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.

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 set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been given the authority to allocate 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 certificate when the original and final appropriations were passed by the Board of Education. Prior to June 30, the Board requested and received an amended certificate in which estimated revenue closely matched actual revenue for the fiscal year.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues by fund. 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. Prior to June 30, the School District passed an amended appropriation measure which closely matched appropriations to expenditures plus encumbrances in the majority of categories.

Cash and Investments

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

During fiscal year 2024, the School District investments were limited to STAR Ohio, commercial paper and money market accounts. Investments, except for commercial paper and STAR Ohio, are reported at fair value which is based on quoted market prices. The School District's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

Indian Creek Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

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 an 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.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Investment earnings/interest credited to the general fund during fiscal year 2024 amounted to \$41,712, of which \$20,402 was assigned from other School District funds.

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

Inventory

Materials and supplies inventory is reported at cost, while inventory held for resale is presented at the lower of cost or market value, and donated commodities are presented at their entitlement value. Inventories are presented on a first-in, first-out basis and are expensed/expended when used. Inventories consist of materials and supplies held for consumption and donated and purchased food held for resale.

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 of the School District's capital assets are general capital assets. General capital assets are those assets related to activities reported in the governmental funds. 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 capital assets by backtrending (i.e., estimating the current replacement cost of the capital asset to be capitalized and using an appropriate price-level index to deflate the cost of 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.

Indian Creek Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

Description	Governmental Activities
	Estimated Lives
<i>Tangible Assets</i>	
Land Improvements	5 to 20 years
Buildings and Improvements	20 to 50 years
Furniture and Equipment	5 to 20 years
Vehicles	6 to 10 years
<i>Intangible Right to Use Assets</i>	
Intangible Right to Use - Equipment	5 years
Intangible Right to Use - Software	5 years

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

Leases Payable

The School District serves as lessee in a noncancelable lease. 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 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.

Bond Premiums and Discounts

On the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the effective-interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On fund financial statements, bond premiums are received in the year the bonds are issued. On the government-wide financial statements, bond discounts are presented as a decrease of the face amount of the bonds payable. On fund financial statements, bond discounts are expended 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.

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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 straight-line method and is presented as deferred outflows of resources on the statement of net position.

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.

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 employer 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 with at least five years of service with the School District.

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, and are reported as obligations of the funds; however, claims and judgements and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds, leases and financed purchases are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liabilities 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.

Internal Activity

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

Indian Creek Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

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.

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. Restricted net position for OPEB plans represent the corresponding restricted asset amounts held in trust by the OPEB plans for future benefits. Net position restricted for other purposes include resources restricted for food service operations, instruction, support services and extracurricular activities.

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

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.

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the 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, delegated that authority by State statute. State statute authorizes the Treasurer to assign fund balance purchases on order provided such amounts have been lawfully appropriated. The Board of Education assigned fund balance for public school support, school supplies and to cover a gap between estimated revenue and appropriations in fiscal year's 2025 budget.

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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.

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.

Note 3 – Accountability

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

Other Governmental Funds:

Public School Preschool	\$57,262
Elementary and Secondary School Emergency Relief	14,171
Title VI-B	20,144
Title I	51,710
Title IV-A	4,120
Reducing Class Size	8,267
Miscellaneous Federal Grants	221

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.

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 the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Fund Balances	General	Bond	Permanent Improvement	Governmental Funds	Other
		Retirement			Total
<i>Nonspendable</i>					
Prepays	\$19,879	\$0	\$0	\$509	20,388
Materials and Supplies Inventory	55,300	0	0	3,281	58,581
<i>Total Nonspendable</i>	<i>75,179</i>	<i>0</i>	<i>0</i>	<i>3,790</i>	<i>78,969</i>
<i>Restricted for</i>					
Food Service Operations	0	0	0	469,102	469,102
Extracurricular Activities	0	0	0	303,527	303,527
Community Involvement	0	0	0	54,814	54,814
Classroom Facilities Maintenance	0	0	0	753,271	753,271
Student Wellness	0	0	0	90,860	90,860
Debt Service Payments	0	6,542,576	0	0	6,542,576
Capital Improvements	0	0	0	478,017	478,017
<i>Total Restricted</i>	<i>0</i>	<i>6,542,576</i>	<i>0</i>	<i>2,149,591</i>	<i>8,692,167</i>
<i>Committed to</i>					
Tuition Reimbursements	30,999	0	0	0	30,999
Full Spectrum Marketing	24,500	0	0	0	24,500
Jefferson County Justice	20,115	0	0	0	20,115
<i>Total Committed</i>	<i>75,614</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>75,614</i>
<i>Assigned to</i>					
Public School Support	32,755	0	0	0	32,755
Uniform School	64,452	0	0	0	64,452
Fiscal Year 2025 Operations	792,191	0	0	0	792,191
Purchases on Order:					
Instruction	17,419	0	0	0	17,419
Support Services	35,513	0	0	0	35,513
<i>Total Assigned</i>	<i>942,330</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>942,330</i>
<i>Unassigned (Deficit)</i>	3,076,489	0	(475,522)	(155,895)	2,445,072
<i>Total Fund Balances (Deficit)</i>	\$4,169,612	\$6,542,576	(\$475,522)	\$1,997,486	\$12,234,152

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 that:

Indian Creek Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Budgetary revenues and expenditures of the uniform school supplies and the public school support funds are classified to the general fund for GAAP reporting purposes.
3. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
4. Advances-In/Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).

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

Net Change in Fund Balance	
GAAP Basis	\$826,220
Net Adjustment for Revenue Accruals	(31,995)
Advance In	440,133
Perspective Difference:	
Uniform School Supplies	5,690
Public School Support	3,047
Net Adjustment for Expenditure Accruals	(29,999)
Advances Out	(470,416)
Adjustment for Encumbrances	<u>(131,813)</u>
Budget Basis	<u><u>\$610,867</u></u>

Note 6 – Deposits and Investments

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

Active monies are public monies 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.

Indian Creek Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

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.

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;
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.

Indian Creek Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments

As of June 30, 2024, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percentage of Total Investments
Amortized Cost:				
Commercial Paper	\$345,890	Less than one year	A-1+ or A-1	32.50%
Net Asset Value (NAV) per share:				
STAR Ohio	\$102	Average 46.5 Days	AAAm	N/A
Fair Value - Level One Inputs:				
Money Market Accounts	718,407	Less than one year	AAAm	67.49%
Total	<u><u>\$1,064,399</u></u>			

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2024. STAR Ohio is measured at net asset value per share. Commercial paper is measured at amortized cost. The money market account is measured at fair value and is valued using quoted market prices (Level 1 inputs). The School District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

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 purchase, 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.

Concentration of Credit Risk This type of risk is defined by the Governmental Accounting Standards Board as having investments of five percent or more in the securities of a single issuer. The School District's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations.

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Credit Risk The School District does not have an investment policy that addresses credit risk beyond the requirements in State Statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization, the money market mutual fund must be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization, and the commercial paper be rated in the highest category at the time of purchase by at least two nationally recognized statistical rating organizations.

Note 7 – Receivables

Receivables at June 30, 2024, consisted of taxes, accounts 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 fiscal year guarantee of Federal funds. All receivables, except for delinquent property taxes are expected to be collected 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
ESSER Grant	\$358,910
Title I Grant	154,197
Title VI-B Grant	125,333
Food Service Reimbursement	91,041
Public School Preschool Grant	60,274
Title IV-A Grant	13,692
Reducing Class Size Grant	8,267
School Foundation Adjustments	1,428
Miscellaneous Federal Grants	221
Total	<u><u>\$813,363</u></u>

Note 8 – 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 collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

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

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Public utility property tax revenues received in calendar year 2024 represents collections of calendar year 2023 taxes. Public utility real and tangible personal property taxes received in calendar year 2023 become a lien December 31, 2022, were levied after April 1, 2023, and are collected in calendar year 2024 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Jefferson 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 were levied to finance current fiscal year operations are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The amount available as an advance at June 30, 2024, was \$841,141 in the general fund, \$16,318 in the classroom facilities special revenue fund, \$336,560 in the bond retirement debt service fund and \$37,365 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2023, was \$627,494 in the general fund, \$11,798 in the classroom facilities special revenue fund, \$240,231 in the bond retirement debt service fund and \$26,896 in the permanent improvement capital projects fund.

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
Agricultural/Residential and Other Real Estate	\$411,360,860	88.10 %	\$415,020,650	87.81 %
Public Utility Personal	55,549,290	11.90	57,620,700	12.19
Total	<u>\$466,910,150</u>	<u>100.00 %</u>	<u>\$472,641,350</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation		\$49.15		\$49.15

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Note 9 – Capital Assets

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

	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024
Governmental Activities				
<i>Nondepreciable Capital Assets</i>				
Land	\$84,878	\$0	\$0	\$84,878
Construction in Progress	60,000	287,923	(142,305)	205,618
<i>Total Nondepreciable Capital Assets</i>	<u>144,878</u>	<u>287,923</u>	<u>(142,305)</u>	<u>290,496</u>
<i>Depreciable Capital Assets</i>				
<i>Tangible Assets</i>				
Land Improvements	7,155,462	98,205	0	7,253,667
Buildings and Improvements	75,721,015	182,855	(6,500)	75,897,370
Furniture, Fixtures, and Equipment	5,679,285	91,297	0	5,770,582
Vehicles	1,943,269	272,140	(566,727)	1,648,682
<i>Total Tangible Assets</i>	<u>90,499,031</u>	<u>644,497</u>	<u>(573,227)</u>	<u>90,570,301</u>
<i>Intangible Right to Use</i>				
<i>Lease Assets</i>				
Intangible Right to Use - Equipment	9,075	0	0	9,075
<i>Subscription Assets</i>				
Intangible Right to Use - Software	0	151,413	0	151,413
<i>Total Intangible Right to Use Assets</i>	<u>9,075</u>	<u>151,413</u>	<u>0</u>	<u>160,488</u>
<i>Total Depreciable Capital Assets</i>	<u>90,508,106</u>	<u>795,910</u>	<u>(573,227)</u>	<u>90,730,789</u>
<i>Less Accumulated Depreciation/Amortization</i>				
<i>Depreciation</i>				
Land Improvements	(1,694,907)	(311,121)	0	(2,006,028)
Buildings and Improvements	(6,937,868)	(1,968,990)	3,602	(8,903,256)
Furniture, Fixtures, and Equipment	(1,345,588)	(620,818)	0	(1,966,406)
Vehicles	(1,299,574)	(136,584)	496,058	(940,100)
<i>Total Depreciation</i>	<u>(11,277,937)</u>	<u>(3,037,513)</u>	<u>499,660</u>	<u>(13,815,790)</u>
<i>Amortization</i>				
<i>Intangible Right to Use</i>				
<i>Lease Assets</i>				
Intangible Right to Use - Equipment	(908)	(1,815)	0	(2,723)
<i>Subscription Assets</i>				
Intangible Right to Use - Software	0	(30,283)	0	(30,283)
<i>Total Intangible Right to Use Assets</i>	<u>(908)</u>	<u>(32,098)</u>	<u>0</u>	<u>(33,006)</u>
<i>Total Accumulated Depreciation/Amortization</i>	<u>(11,278,845)</u>	<u>(3,069,611) *</u>	<u>499,660</u>	<u>(13,848,796)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>79,229,261</u>	<u>(2,273,701)</u>	<u>(73,567)</u>	<u>76,881,993</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$79,374,139</u>	<u>(\$1,985,778)</u>	<u>(\$215,872)</u>	<u>\$77,172,489</u>

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

	Depreciation	Intangible Right to Use		
		Lease	Subscription	Total
Instruction:				
Regular	\$2,443,212	\$0	\$30,283	\$2,473,495
Student Intervention	5,000	0	0	5,000
Support Services:				
Pupils	4,167	0	0	4,167
Instructional Staff	257,701	0	0	257,701
Administration	18,744	1,815	0	20,559
Operation and Maintenance of Plant	82,699	0	0	82,699
Pupil Transportation	119,751	0	0	119,751
Extracurricular Activities	79,120	0	0	79,120
Operation of Food Service	27,119	0	0	27,119
Total Depreciation Expense	<u>\$3,037,513</u>	<u>\$1,815</u>	<u>\$30,283</u>	<u>\$3,069,611</u>

Note 10 – 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 Authority (SORSA) for various types of insurance. Coverage is as follows:

Coverage	Amount
Property (Pool Limit per occurrence)	\$350,000,000
Earth movement limit (\$50,000 Deductible)	10,000,000
Flood limit (\$50,000 Deductible)	10,000,000
Equipment Breakdown	350,000,000
Crime Coverage (\$1,000 Deductible)	1,000,000
General Liability	15,000,000
Employee benefits liability	15,000,000
Employee stop gap liability	15,000,000
General annual aggregate	17,000,000
Fire legal liability	500,000
Medical payments - occurrence	10,000
Aggregate limit	25,000
Educator's Legal Liability	15,000,000
Automobile Liability	
Bodily injury & property damage - per occurrence	15,000,000
Medical payments - occurrence	10,000
Aggregate limit	25,000
Uninsured/underinsured motorist - aggregate	1,000,000
Automobile physical damage (\$250 Deductible)	Actual Cash Value
Garage keepers physical damage (\$500,000 max)	Actual Cash Value

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

Worker's Compensation

For fiscal year 2024, the School District participated in the Ohio School Boards Association Workers' Compensation Group Retrospective Rating Program (GRP), an insurance purchasing pool (Note 20). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total Savings are then calculated, and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "Equity Pooling Fund" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. Sedgwick provides administrative, cost control and actuarial services to the GRP.

Note 11 – Other Employee Benefits

Compensated Absences

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

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Any employee receiving retirement severance pay is entitled to a dollar amount equivalent to thirty-five percent of all accumulated sick leave credited to that employee up to 45 days for teachers, 87.5 for administrators and 40 days for classified employees. Classified employees can receive payment for up to an additional 30 days for every day over an accumulated 200 days.

Insurance

The School District provides health insurance benefits with Medical Mutual of Ohio, dental insurance benefits with Delta Dental and vision insurance benefits with Superior Vision. Total monthly costs for family coverage is \$2,703.29, \$72.45 and \$12.88 for medical, dental and vision, respectively. Total costs monthly for single coverage is \$1,340.26, \$24.10 and \$5.10 for medical, dental and vision, respectively. The School District pays 100 percent of dental and vision coverage. Administrators and teachers pay 10 percent of the premium for both single and family medical coverage. Classified employees pay 7 percent of the premium for both single and family medical coverage.

The School District provides life insurance and accidental death and dismemberment insurance to its employees. Coverage for administrators is \$100,000, certified teachers is \$50,000 and classified employees \$25,000 to \$50,000 depending on hours contracted per week. Life insurance is covered through The Hartford Life Insurance Company.

Indian Creek Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

Note 12 – Interfund Transfers and Balances

Interfund Transfers

The general fund transferred \$3,527 to the food service special revenue fund to provide financial support for the School District's food service operations. The classroom facilities capital projects fund transferred \$631,191 of the remaining local investment earnings/interest upon completion of the Ohio School Facilities Commission project to the permanent improvement capital projects fund. The classroom facilities capital projects fund transferred the remaining balance of \$295,562 to the building construction capital projects fund to provide support for the School District's capital projects.

Interfund Balances

Interfund Payable	Interfund Receivable
	General
<i>Other Governmental Funds:</i>	
Elementary and Secondary School Emergency Relief	\$234,747
Miscellaneous State Grants	110,826
Title VI-B	57,191
Title I	46,845
Reducing Class Size	13,312
Miscellaneous Federal Grants	4,171
Title IV-A	2,414
Public School Preschool	910
Total	\$470,416

Interfund receivables and payables are due to the timing of the receipt of grant monies and monies collected for some programs received by various funds. The general fund provides money to operate the programs until grants and other monies are received and the advances can be repaid. These loans are expected to be repaid in one year. All interfund payables outstanding are anticipated to be paid within one year.

Note 13 – Set-Asides

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 fiscal year-end or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future years.

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

Indian Creek Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

	Capital Improvement
Set-aside Balance as of June 30, 2023	\$0
Current Year Set-aside Requirement	399,789
Offsets During the Fiscal Year:	
Permanent Improvement Levy Proceeds	(1,100,348)
Ohio School Facilities Commission principal and interest	(3,044,712)
Qualifying Disbursements	<u>(482,092)</u>
Totals	<u><u>(\$4,227,363)</u></u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u><u>\$0</u></u>
Set-aside Balance as of June 30, 2024	<u><u>\$0</u></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 14 – Contingent Liabilities

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 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, DEW adjustments for fiscal year 2024 have been finalized. The final adjustment was not material and is not reflected in the accompanying financial statements.

Litigation

The School District is not a party to any material legal proceedings.

Lease

The Board of Education entered into a “Paid-Up” Oil and Gas lease effective April 23, 2018 and continuing through April 23, 2023 with Ascent Resources - Utica, LLC. In consideration of the execution of the lease, the School District received a bonus of \$4,491 on August 15, 2018. The School District has a total of .998 acres subject to the lease provisions which call for payments to the lessor, in addition to the bonus, royalties,

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

less all taxes, assessments, and adjustments on production from the leasehold in the amount of 18 percent for oil or gas. As of the date of the financial statements, the value of any potential royalties cannot be determined.

The Board of Education renewed a 2013 “Paid-Up” Oil and Gas lease extending the term through November 21, 2023 with Ascent Resources - Utica, LLC. In consideration of the execution of the lease, the School District received a bonus of \$1,466,987 on November 20, 2018. The School District has a total of 203.7482 acres subject to the lease provisions. As of this date, the value of any potential royalties cannot be determined.

The Board of Education entered into a “Paid-Up” Oil and Gas lease effective November 9, 2023, and continuing through November 9, 2028. In consideration for the execution of the lease, the School District received a bonus of \$1,080 on March 7, 2024. The School District has a total of 0.27 acres subject to the lease provisions which call for payments to the lessor, in addition to the bonus, royalties, less all taxes, assessments and adjustments on production from the leasehold in the amount of 18 percent for oil or gas. As of the date of the financial statements, the value of any potential royalties cannot be determined.

The School District received a total of \$11,692 in royalty payments during fiscal year 2024.

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
2016 School Facilities Construction Refunding Bonds:			
Serial Bonds	2.00% to 4.00%	\$8,605,000	2037
Capital Appreciation Bonds	18.98%	35,000	2025
2018 School Facilities Construction Bonds:			
Serial Bonds	3.00% to 4.295%	7,785,000	2031
Term Bonds	3.625% to 5.00%	37,915,000	2055

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

Governmental Activities	Principal Outstanding 6/30/23	Additions	Deductions	Principal Outstanding 6/30/24	Amounts Due in One Year
General Obligation Bonds:					
2016 School Facilities Refunding Bonds					
Serial Bonds	\$8,095,000	\$0	\$420,000	\$7,675,000	\$265,000
Capital Appreciation Bonds	35,000	0	0	35,000	35,000
Accretion	90,694	24,999	0	115,693	115,693
Premium on Bonds	873,240	0	69,852	803,388	0
<i>Total 2016 School Refunding Bonds</i>	<i>\$9,093,934</i>	<i>\$24,999</i>	<i>\$489,852</i>	<i>\$8,629,081</i>	<i>\$415,693</i>

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

	Principal Outstanding 6/30/23	Additions	Deductions	Principal Outstanding 6/30/24	Amounts Due in One Year
2018 School Facilities Bonds					
Serial Bonds	\$5,190,000	\$0	\$350,000	\$4,840,000	\$375,000
Term Bonds	37,915,000	0	0	37,915,000	0
Premium on Bonds	2,836,872	0	88,193	2,748,679	0
<i>Total 2018 School Refunding Bonds</i>	<i>45,941,872</i>	<i>0</i>	<i>438,193</i>	<i>45,503,679</i>	<i>375,000</i>
<i>Total General Obligation Bonds</i>	<i>55,035,806</i>	<i>24,999</i>	<i>928,045</i>	<i>54,132,760</i>	<i>790,693</i>
<i>Other Long Term Obligations</i>					
Net Pension Liability:					
SERS	4,284,509	0	143,533	4,140,976	0
STRS	13,678,402	0	553,072	13,125,330	0
<i>Total Net Pension Liability</i>	<i>17,962,911</i>	<i>0</i>	<i>696,605</i>	<i>17,266,306</i>	<i>0</i>
Net OPEB Liability:					
SERS	1,134,488	136,059	0	1,270,547	0
Leases	8,227	0	1,734	6,493	1,786
Financed Purchase - From Direct Borrowing	520,000	0	65,000	455,000	70,000
Compensated Absences	1,460,128	189,594	96,180	1,553,542	131,293
<i>Total General Long-Term Obligations</i>	<i>\$76,121,560</i>	<i>\$350,652</i>	<i>\$1,787,564</i>	<i>\$74,684,648</i>	<i>\$993,772</i>

Compensated absences will be paid from the general fund. There are no repayment schedules for the net pension liability and net OPEB liability. However, employer pension and OPEB contributions are made from following funds: the general fund and the food service, public school preschool, title VI-B, title I, preschool and reducing class size special revenue funds. For additional information related to the net pension and net OPEB liabilities see Notes 17 and 18.

On April 16, 2016, the School District issued \$8,605,000 in school facilities construction bonds to refund a portion of the 2009 school facilities construction bonds. The school facilities construction bonds included serial and capital appreciation (deep discount) bonds in the amounts of \$8,570,000 and \$35,000, respectively. The bonds were issued for a twenty-one year period with a final maturity at December 1, 2036. The bonds will be retired from the bond retirement debt service fund.

The capital appreciation bonds were originally sold at a discount of \$130,000. The accretion recorded for fiscal year 2024 was \$24,999, for a total outstanding bond liability of \$150,693 at June 30, 2024.

The refunding bonds were sold at a premium of \$1,373,846. Net proceeds of \$9,831,065 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, \$8,230,000 of these bonds is considered defeased and the liability of these bonds has been removed from the School District's financial statements.

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

On August 30, 2018, the School District issued \$45,700,000 in school facilities construction bonds, which included serial and term bonds in the amounts of \$7,785,000 and \$37,915,000, respectively. The bonds were issued at a premium of \$3,263,137. The school facilities construction bonds were issued for the purpose of constructing, improving and renovating school facilities within the Indian Creek Local School District. The bonds were issued for a thirty-seven year period with final maturity at November 1, 2055. The bonds will be retired from the bond retirement debt service fund.

The term bonds maturing on November 1, 2034, 2038, 2039, 2045, 2048 and 2055 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on November 1 in the years and in the respective principal amounts as follows:

Fiscal Year	Issue		
	\$2,755,000	\$2,755,000	\$2,430,000
2033	\$870,000	\$0	\$0
2034	915,000	0	0
2036	0	1,030,000	0
2037	0	1,075,000	0
2038	0	285,000	775,000
2039	0	0	810,000
Total mandatory sinking fund payment	1,785,000	2,390,000	1,585,000
Amount due at stated maturity	970,000	365,000	845,000
Total	\$2,755,000	\$2,755,000	\$2,430,000
<i>State Maturity</i>	11/1/2034	11/1/2038	11/1/2039

Fiscal Year	Issue					
	\$3,110,000	\$5,960,000	\$1,675,000	\$3,655,000	\$4,910,000	\$10,665,000
2040	\$380,000	\$0	\$0	\$0	\$0	\$0
2041	400,000	875,000	0	0	0	0
2042	420,000	920,000	0	0	0	0
2043	445,000	965,000	0	0	0	0
2044	465,000	1,015,000	0	0	0	0
2045	490,000	1,065,000	0	0	0	0
2047	0	0	535,000	1,175,000	0	0
2048	0	0	560,000	1,215,000	0	0
2050	0	0	0	0	605,000	1,310,000
2051	0	0	0	0	630,000	1,375,000
2052	0	0	0	0	665,000	1,445,000
2053	0	0	0	0	695,000	1,515,000
2054	0	0	0	0	735,000	1,595,000
2055	0	0	0	0	770,000	1,670,000
Total mandatory sinking fund payment	2,600,000	4,840,000	1,095,000	2,390,000	4,100,000	8,910,000
Amount due at stated maturity	510,000	1,120,000	580,000	1,265,000	810,000	1,755,000
Total	\$3,110,000	\$5,960,000	\$1,675,000	\$3,655,000	\$4,910,000	\$10,665,000
<i>State Maturity</i>	11/1/2045	11/1/2045	11/1/2048	11/1/2048	11/1/2055	11/1/2055

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

On June 1, 2015, the School District took out a lease purchase agreement in the amount of \$935,000 for the purpose of paving projects, track repairs and a new high school roof. The lease purchase agreement was issued at a 3.5 percent interest rate for fifteen years. The lease purchase agreement is classified as a financed purchase, which will be retired from the permanent improvement capital project fund.

The School District's overall legal debt margin was \$0 with an unvoted debt margin of \$472,641 at June 30, 2024. The School District has been designated an "approved special needs School District" by the Ohio Superintendent of Public Instruction. As a result, any debt of the School District authorized by the School District's voters at the election held on May 8, 2019 in excess of the 9 percent limitation is exempted from that limitation pursuant to Ohio Revised Code Section 133.06(D)(2).

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2024, are as follows:

Fiscal Year	General Obligation Bonds					
	Serial		Capital Appreciation		Term	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$640,000	\$505,900	\$35,000	\$130,000	\$0	\$1,740,612
2026	915,000	474,800	0	0	0	1,740,612
2027	1,055,000	432,550	0	0	0	1,740,612
2028	1,105,000	383,500	0	0	0	1,740,612
2029	1,185,000	331,500	0	0	0	1,740,612
2030-2034	5,330,000	918,400	0	0	1,785,000	8,632,560
2035-2039	2,285,000	139,300			5,310,000	7,838,538
2040-2044	0	0	0	0	6,730,000	6,557,070
2045-2049	0	0	0	0	8,515,000	4,759,502
2050-2054	0	0	0	0	10,570,000	2,624,250
2055-2056	0	0	0	0	5,005,000	253,375
Total	<u>\$12,515,000</u>	<u>\$3,185,950</u>	<u>\$35,000</u>	<u>\$130,000</u>	<u>\$37,915,000</u>	<u>\$39,368,355</u>

Fiscal Year	From Direct Borrowings	
	Financed Purchase	
	Principal	Interest
2025	\$70,000	\$14,700
2026	70,000	12,250
2027	75,000	9,713
2028	75,000	7,088
2029	80,000	4,375
2030	85,000	1,488
Total	<u>\$455,000</u>	<u>\$49,613</u>

The School District has outstanding agreements to lease a postage meter. 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. These leases will be paid from the general fund. A summary of the principal and interest amounts for the remaining leases is as follows:

Indian Creek Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Year	Leases	
	Principal	Interest
2025	\$1,786	\$175
2026	1,841	120
2027	1,896	65
2028	970	11
	<u><u>\$6,493</u></u>	<u><u>\$371</u></u>

Note 16 – Notes Payable

The School District's note activity, including amounts outstanding and interest rates is as follows:

Permanent Improvement Fund	Principal		Principal	
	Outstanding 6/30/2023	Additions	Deductions	Outstanding 6/30/2024
Tax Anticipation Notes 2019 3.24%	\$765,000	\$0	\$115,000	\$650,000
Tax Anticipation Notes 2022 3.09%	1,024,000	0	100,000	924,000
Total Notes	<u><u>\$1,789,000</u></u>	<u><u>\$0</u></u>	<u><u>\$215,000</u></u>	<u><u>\$1,574,000</u></u>

On January 3, 2019, the School District issued \$1,200,000 in permanent improvement levy tax anticipation notes for various improvements to the School District's football stadium. The coupon interest rate is 3.24 percent and the notes mature on December 1, 2028. The tax anticipation notes will be paid from the permanent improvement capital projects fund with property tax revenues. Principal and interest payments to retire the tax anticipation notes are \$115,000 and \$22,923, respectively for a total of \$137,923.

On June 23, 2022, the School District issued \$1,141,000 in permanent improvement levy tax anticipation notes for various improvements to the School District's softball field. The coupon interest rate is 3.09 percent and the notes mature on December 1, 2031. The tax anticipation notes will be paid from the permanent improvement capital projects fund with property tax revenues. Principal and interest payments to retire the tax anticipation notes are \$100,000 and \$30,048, respectively for a total of \$130,048.

Note 17 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability

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.

Indian Creek Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

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 18 for the required OPEB disclosures.

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 <http://www.ohsers.org> under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

	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 \$436,928 for fiscal year 2024. Of this amount \$67,407 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee 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

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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.

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.

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

The School District's contractually required contribution to STRS was \$1,218,704 for fiscal year 2024. Of this amount \$263,162 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	0.074942800%	0.060949000%	
Prior Measurement Date	<u>0.079214000%</u>	<u>0.061530920%</u>	
Change in Proportionate Share	<u>-0.004271200%</u>	<u>-0.000581920%</u>	
Proportionate Share of the Net			
Pension Liability	\$4,140,976	\$13,125,330	\$17,266,306
Pension Expense	\$386,595	\$993,082	\$1,379,677

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	\$177,989	\$478,522	\$656,511
Changes of assumptions	29,332	1,080,942	1,110,274
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	39,456	0	39,456
School District contributions subsequent to the measurement date	<u>436,928</u>	<u>1,218,704</u>	<u>1,655,632</u>
Total Deferred Outflows of Resources	<u>\$683,705</u>	<u>\$2,778,168</u>	<u>\$3,461,873</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$29,125	\$29,125
Changes of assumptions	0	813,639	813,639
Net difference between projected and actual earnings on pension plan investments	58,205	39,337	97,542
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>166,356</u>	<u>197,388</u>	<u>363,744</u>
Total Deferred Inflows of Resources	<u>\$224,561</u>	<u>\$1,079,489</u>	<u>\$1,304,050</u>

Indian Creek Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

\$1,655,632 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:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	\$10,764	(\$202,670)	(\$191,906)
2026	(217,098)	(484,193)	(701,291)
2027	225,466	1,270,465	1,495,931
2028	3,084	(103,627)	(100,543)
Total	<u><u>\$22,216</u></u>	<u><u>\$479,975</u></u>	<u><u>\$502,191</u></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.

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 as follows:

Indian Creek Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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:

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>	<u>5.64</u>
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.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$6,111,869	\$4,140,976	\$2,480,874

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

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:

Indian Creek Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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	<u>1.00</u>	<u>1.00</u>
Total	<u>100.00%</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:

	Current		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$20,183,851	\$13,125,330	\$7,155,751

Indian Creek Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

Note 18 – Defined Benefit OPEB Plans

See Note 17 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. 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 \$52,996.

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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 \$52,996 for fiscal year 2024. Of this amount \$52,996 is reported as an intergovernmental payable.

Plan Description – State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. 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 Liabilities (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an 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	0.077122300%	0.060949000%	
Prior Measurement Date	0.080803500%	0.061530920%	
Change in Proportionate Share	<u>-0.003681200%</u>	<u>-0.000581920%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$1,270,547	\$0	\$1,270,547
Net OPEB (Asset)	\$0	(\$1,185,374)	(\$1,185,374)
OPEB Expense	(\$81,534)	(\$58,423)	(\$139,957)

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

Indian Creek 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	\$2,647	\$1,848	\$4,495
Changes of assumptions	429,609	174,623	604,232
Net difference between projected and actual earnings on OPEB plan investments	9,847	2,116	11,963
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	72,665	12,974	85,639
School District contributions subsequent to the measurement date	52,996	0	52,996
Total Deferred Outflows of Resources	<u>\$567,764</u>	<u>\$191,561</u>	<u>\$759,325</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$655,269	\$180,798	\$836,067
Changes of assumptions	360,847	782,092	1,142,939
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	132,503	1,565	134,068
Total Deferred Inflows of Resources	<u>\$1,148,619</u>	<u>\$964,455</u>	<u>\$2,113,074</u>

\$52,996 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	(182,522)	(337,565)	(520,087)
2026	(160,255)	(159,918)	(320,173)
2027	(107,712)	(60,712)	(168,424)
2028	(74,532)	(82,248)	(156,780)
2029	(55,982)	(75,297)	(131,279)
Thereafter	(52,848)	(57,154)	(110,002)
Total	<u>(\$633,851)</u>	<u>(\$772,894)</u>	<u>(\$1,406,745)</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.

Indian Creek 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 as follows:

<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.

Indian Creek Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

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

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 17.

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	\$1,624,123	\$1,270,547	\$991,739

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

	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	\$933,427	\$1,270,547	\$1,717,278

Actuarial Assumptions – STRS

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

	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.

For 2022, 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.

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

For 2021, healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, 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.

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

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 17.

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.

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)	(\$1,003,264)	(\$1,185,374)	(\$1,343,972)
	Current		
	1% Decrease	Trend Rate	1% Increase
School District's proportionate share of the net OPEB (asset)	(\$1,351,332)	(\$1,185,374)	(\$985,480)

Note 19 – Jointly Governed Organizations

Ohio Mid-Eastern Regional Education Service Agency The Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) is a jointly governed organization created as a regional council of governments pursuant to State Statutes. OME-RESA has twelve participating counties consisting of Belmont, Carroll, Columbiana, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Monroe, Muskingum, Noble and Tuscarawas Counties. OME-RESA operates under the direction of a Board consisting of one representative from each of the participating school district's elected boards, plus a joint vocational service representative, the fiscal agent superintendent and a treasurer, which possesses its own budgeting and taxing authority. The degree of control exercised by any participating school district is limited to its representation on the Board. OME-RESA

Indian Creek Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

provides financial accounting services, educational management information, internet access and cooperative purchasing services to member districts. The School District paid OME-RESA \$115,271 for financial accounting services, educational management information, internet access, student services systems, and automated notification systems for fiscal year 2024. The Jefferson County Educational Service Center serves as the fiscal agent and receives funding from the State Department of Education and Workforce. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency, Treasurer, at 2230 Sunset Blvd., Suite 2, Steubenville, Ohio 43952.

Jefferson County Joint Vocational School The Jefferson County Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating school district's elected boards, which possesses its own budgeting and taxing authority. The degree of control exercised by any participating school district is limited to its representation on the Board. During fiscal year 2024, the School District made no contributions to the Vocational School District. To obtain financial information write to the Jefferson County Joint Vocational School, Treasurer, at 1509 County Highway 22A, Bloomingdale, Ohio 43910.

Note 20 – Public Entity Pool

Insurance Purchasing Pool

Ohio School Boards Association Workers' Compensation Group Retrospective Rating Program The School District participates in the Ohio School Boards Association Workers' Compensation Group Retrospective Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Shared Risk Pool

Schools of Ohio Risk Sharing Authority The School District participates in the Schools of Ohio Risk Sharing Authority (SORSA), a risk sharing pool. 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 composed 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 financial information write to the Schools of Ohio Risk Sharing Authority, Executive Director, at 8050 North High Street, Suite 160, Columbus, Ohio 43235-6483.

Indian Creek Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Note 21 – Significant Commitments

Contractual Commitments

At June 30, 2024, the School District's significant contractual commitments consisted of the following:

Company	Contract Amount	Amount Paid	Remaining on Contract
Johnson Controls, Inc.	\$181,510	\$120,910	\$60,600
Grae-Con Construction, Inc.	474,500	0	474,500
Sol Harris Day Architects	72,700	34,715	37,985
JD & E Construction Services	108,900	0	108,900
Total	<u>\$837,610</u>	<u>\$155,625</u>	<u>\$681,985</u>

Remaining commitment amounts were encumbered at year end. The amount of \$49,993 in contracts payable for governmental activities has been capitalized.

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 fiscal year end the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General	\$131,813
Permanent Improvement	254,334
Other Governmental Funds	<u>832,649</u>
Total Governmental	<u>\$1,218,796</u>

Note 22 – 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.

Indian Creek Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024*

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 this GASB Statement No. 100 and GASB Implementation Guides 2021-1 and 2023-1 did not have any effect on beginning net position.

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 had no impact on beginning net position, but rather impacted the amounts presented as net position restricted for OPEB plans and unrestricted net position.

Note 23 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 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.

Required Supplementary Information

Indian Creek 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	0.074942800%	0.079214000%	0.077151100%	0.075940900%
School District's Proportionate Share of the Net Pension Liability	\$4,140,976	\$4,284,509	\$2,846,652	\$5,022,892
School District's Covered Payroll	\$2,977,000	\$2,900,921	\$2,673,471	\$2,663,143
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	139.10%	147.69%	106.48%	188.61%
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
0.073896600%	0.070600800%	0.072958900%	0.074071500%	0.074219000%	0.068764000%
\$4,421,364	\$4,043,439	\$4,359,133	\$5,421,351	\$4,235,007	\$3,480,106
\$2,549,622	\$2,471,519	\$2,341,271	\$2,316,207	\$2,234,379	\$1,921,672
173.41%	163.60%	186.19%	234.06%	189.54%	181.10%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%

Indian Creek 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	0.077122300%	0.080803500%	0.079609800%	0.079037900%
School District's Proportionate Share of the Net OPEB Liability	\$1,270,547	\$1,134,488	\$1,506,681	\$1,717,752
School District's Covered Payroll	\$2,977,000	\$2,900,921	\$2,673,471	\$2,663,143
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	42.68%	39.11%	56.36%	64.50%
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
0.075846900%	0.072170500%	0.074236400%	0.075168800%
\$1,907,389	\$2,002,206	\$1,992,310	\$2,142,589
\$2,549,622	\$2,471,519	\$2,341,271	\$2,316,207
74.81%	81.01%	85.10%	92.50%
15.57%	13.57%	12.46%	11.49%

Indian Creek 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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
School District's Proportion of the Net Pension Liability	0.060949000%	0.061530920%	0.061268282%	0.061266640%
School District's Proportionate Share of the Net Pension Liability	\$13,125,330	\$13,678,402	\$7,833,702	\$14,824,347
School District's Covered Payroll	\$8,289,521	\$8,095,121	\$7,556,286	\$7,449,379
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	158.34%	168.97%	103.67%	199.00%
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
0.062211520%	0.062590590%	0.060884180%	0.061792760%	0.062061110%	0.063560890%
\$13,757,702	\$13,762,265	\$14,463,169	\$20,683,899	\$17,151,876	\$15,460,208
\$7,393,243	\$7,131,543	\$6,717,050	\$6,573,421	\$6,571,773	\$6,494,169
186.08%	192.98%	215.32%	314.66%	260.99%	238.06%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%

Indian Creek 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	0.060949000%	0.061530920%	0.061268282%	0.061266640%
School District's Proportionate Share of the Net OPEB (Asset) Liability	(\$1,185,374)	(\$1,593,240)	(\$1,291,792)	(\$1,076,761)
School District's Covered Payroll	\$8,289,521	\$8,095,121	\$7,556,286	\$7,449,379
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-14.30%	-19.68%	-17.10%	-14.45%
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
0.062211520%	0.062590590%	0.060884180%	0.061792760%
(\$1,030,372)	(\$1,005,766)	\$2,375,476	\$3,304,693
\$7,393,243	\$7,131,543	\$6,717,050	\$6,573,421
-13.94%	-14.10%	35.36%	50.27%
174.70%	176.00%	47.10%	37.30%

Indian Creek 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	\$436,928	\$416,780	\$406,129	\$374,286
Contributions in Relation to the Contractually Required Contribution	<u>(436,928)</u>	<u>(416,780)</u>	<u>(406,129)</u>	<u>(374,286)</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)	\$3,120,914	\$2,977,000	\$2,900,921	\$2,673,471
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)	\$52,996	\$56,410	\$51,779	\$51,405
Contributions in Relation to the Contractually Required Contribution	<u>(52,996)</u>	<u>(56,410)</u>	<u>(51,779)</u>	<u>(51,405)</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>1.70%</u></u>	<u><u>1.89%</u></u>	<u><u>1.78%</u></u>	<u><u>1.92%</u></u>
Total Contributions as a Percentage of Covered Payroll (2)	<u><u>15.70%</u></u>	<u><u>15.89%</u></u>	<u><u>15.78%</u></u>	<u><u>15.92%</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
\$372,840	\$344,199	\$333,655	\$327,778	\$324,269	\$294,491
(372,840)	(344,199)	(333,655)	(327,778)	(324,269)	(294,491)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,663,143	\$2,549,622	\$2,471,519	\$2,341,271	\$2,316,207	\$2,234,379
<u>14.00%</u>	<u>13.50%</u>	<u>13.50%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.18%</u>
 \$51,883	 \$59,593	 \$53,772	 \$41,386	 \$38,488	 \$57,993
<u>(51,883)</u>	<u>(59,593)</u>	<u>(53,772)</u>	<u>(41,386)</u>	<u>(38,488)</u>	<u>(57,993)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>1.95%</u>	<u>2.34%</u>	<u>2.18%</u>	<u>1.77%</u>	<u>1.66%</u>	<u>2.60%</u>
<u>15.95%</u>	<u>15.84%</u>	<u>15.68%</u>	<u>15.77%</u>	<u>15.66%</u>	<u>15.78%</u>

Indian Creek 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	\$1,218,704	\$1,160,533	\$1,133,317	\$1,057,880
Contributions in Relation to the Contractually Required Contribution	<u>(1,218,704)</u>	<u>(1,160,533)</u>	<u>(1,133,317)</u>	<u>(1,057,880)</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	\$8,705,029	\$8,289,521	\$8,095,121	\$7,556,286
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
\$1,042,913	\$1,035,054	\$998,416	\$940,387	\$920,279	\$920,048
(1,042,913)	(1,035,054)	(998,416)	(940,387)	(920,279)	(920,048)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$7,449,379	\$7,393,243	\$7,131,543	\$6,717,050	\$6,573,421	\$6,571,773
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

Indian Creek 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 below:

Indian Creek Local School District, Ohio

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

	Fiscal Year 2022	Fiscal Years 2021-2018	Fiscal Year 2017 and Prior
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.

Indian Creek 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

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

Indian Creek Local School District, Ohio

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

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

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

17 -

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.

This page intentionally left blank.

**INDIAN CREEK LOCAL SCHOOL DISTRICT
JEFFERSON COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

FEDERAL GRANTOR <i>Pass Through Grantor Program / Cluster Title</i>	Federal AL Number	Total Federal Expenditures	Non-Cash Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education:</i>			
<i>Nutrition Cluster:</i>			
<i>Non-Cash Assistance (Food Distribution):</i>			
National School Lunch Program	10.555		\$61,533
<i>Cash Assistance:</i>			
School Breakfast Program	10.553	\$280,762	
School Breakfast Program Total		<u>\$280,762</u>	
National School Lunch Program	10.555	735,912	
COVID-19 National School Lunch Program - Supply Chain Funding	10.555	53,815	
National School Lunch Program Total		<u>789,727</u>	
Nutrition Cluster Total (Cash and Non-Cash)		<u>1,070,489</u>	61,533
Child and Adult Care Food Program	10.558	93,017	
National School Lunch Program Equipment Assistance Grant	10.579	1,800	
Total U.S. Department of Agriculture		<u>1,165,306</u>	61,533
UNITED STATES DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education:</i>			
Title 1 Grants to Local Educational Agencies (Title 1, Part A of the ESEA)	84.010	613,415	
Title 1 Expanding Opportunities for Each Child School Improvement Grant	84.010A	165	
Title I Total		<u>613,580</u>	
<i>Special Education Cluster:</i>			
Special Education - Grants to States (IDEA, Part B)	84.027	534,095	
Special Education - Preschool Grants (IDEA Preschool)	84.173	9,471	
Special Education Cluster Total		<u>543,566</u>	
Supporting Effective Instruction State Grants (Title II-A)	84.367	82,892	
Title V-B Rural and Low-Income	84.358B	13,882	
Student Support and Academic Enrichment Program	84.424	55,501	
Stronger Connections Grant	84.424F	30,463	
Education Stabilization Fund (ESF) Under the Coronavirus Aid, Relief, and Economic Security Act			
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II)	84.425D	99,228	
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER III)	84.425U	1,688,867	
Total Elementary and Secondary School Emergency Relief		<u>1,788,095</u>	
COVID-19 - Elementary and Secondary School Emergency Relief (Homeless Children and Youth)	84.425W	3,394	
Total U.S. Department of Education		<u>3,131,373</u>	
U.S. DEPARTMENT OF THE INTERIOR, U.S.FISH AND WILDLIFE SERVICE			
<i>Passed Through Ohio Department of Natural Resources - Division of Wildlife:</i>			
Sport Fish Restoration - Fish and Wildlife Cluster	15.605	7,791	
Total			
Total Expenditures of Federal Awards		<u>\$4,304,470</u>	<u>\$61,533</u>

The accompanying notes are an integral part of this schedule.

INDIAN CREEK LOCAL SCHOOL DISTRICT
JEFFERSON COUNTY

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Indian Creek Local School District (the School District's) under programs of the federal government for the year ended June 30, 2024. 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 School District, it is not intended to and does not present the financial position or changes in net position of the School District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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



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

Indian Creek Local School District
Jefferson County
100 Park Drive
Wintersville, Ohio 43953

To the Board of Education:

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Indian Creek Local School District, Jefferson County, (the School District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated February 28, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Indian Creek Local School District
Jefferson County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by Government Auditing Standards
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

February 28, 2025



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

Indian Creek Local School District
Jefferson County
100 Park Drive
Wintersville, Ohio 43953

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Indian Creek Local School District's, Jefferson County, (the School District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Indian Creek Local School District's major federal program for the year ended June 30, 2024. Indian Creek Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

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

Basis for Opinion on the Major Federal Program

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

We are required to be independent of the 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 the major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 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 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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

Indian Creek Local School District

Jefferson County

Independent Auditor's Report on Compliance with Requirements

Applicable to the Major Federal Program and on Internal Control Over Compliance

Required by the Uniform Guidance

Page 3

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2024-001, to be a material weakness.

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

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



Keith Faber
Auditor of State
Columbus, Ohio

February 28, 2025

This page intentionally left blank.

INDIAN CREEK LOCAL SCHOOL DISTRICT
JEFFERSON COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Nutrition Cluster (AL# 10.553 and 10.555)
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Eligibility Determinations

Finding Number:	2024-001
Assistance Listing Number and Title:	AL # 10.553 School Breakfast Program, AL #10.555 National School Lunch Program
Federal Award Identification Number / Year:	2024
Federal Agency:	U.S. Department of Agriculture
Compliance Requirement:	Eligibility
Pass-Through Entity:	Ohio Department of Education and Workforce
Repeat Finding from Prior Year?	No

Material Weakness

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

During fiscal year 2024, the School District participated in Child Nutrition Cluster programs, for which the federal government reimburses the School District for eligible children. During the school year, the School District is required to establish a child's eligibility to receive program benefits. The School District accepted online applications for free and reduced meals, with which eligibility was determined based on several factors, including, but not limited to family size and income.

For fiscal year 2024, the eligibility process was 100% online through PaySchools to determine eligibility for free and reduced meals. The option selected within PaySchools by the School District was for the portal applications to be approved as entered (if the eligibility criteria was met) with no additional review, rather than applications being in pending status until reviewed and approved by the School District. As such, the School District had no procedures in place to ensure the system determined the proper eligibility status based on the information provided in the application.

Failure to implement controls over all eligibility applications could result in ineligible students receiving benefits.

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

Officials' Response: See Corrective Action Plan



Indian Creek Local School District

Board of Education

100 Park Drive
Wintersville, Ohio 43953
740-264-3502

Office of the Superintendent

100 Park Drive
Wintersville, Ohio 43953
740-264-3502

Office of the Treasurer

100 Park Drive
Wintersville, Ohio 43953
740-264-3502

Cross Creek Elementary

587 Bantam Ridge Road
Wintersville, Ohio 43953
740-264-1691

Hills Elementary

2281 Wilson Avenue
Mingo Junction, Ohio 43938
740-283-2479

Indian Creek High School

200 Park Drive
Wintersville, Ohio 43953
740-264-1163

Indian Creek Middle School

2379 Wilson Avenue
Mingo Junction, Ohio 43938
740-282-0834

Transportation

300 Park Drive
Wintersville, Ohio 43953
740-264-2526

District schools are dedicated to providing equal admission opportunities, educational opportunities, and equal employment opportunities to all regardless of race, color, national origin, sex, handicap or any other basis of unlawful discrimination.

CORRECTIVE ACTION PLAN

2 CFR § 200.511(c)

Year Ended June 30, 2024

Finding Number: 2024-001

Planned Corrective Action: The District beginning in FY25 became part of the Community Eligibility Program allowing for all students to receive free lunch. As such, the district is not using PaySchools to determine eligibility.

Anticipated Completion Date: 7/1/2024

Responsible Contact Person: Adam Lewis, Treasurer/CFO

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



INDIAN CREEK LOCAL SCHOOL DISTRICT

JEFFERSON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/25/2025

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